Company Registered No: 03930930

GL LEASE COMPANY NO.8 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2011

Group Secretariat
The Royal Bank of Scotland Group plc
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2011

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	N T J Clibbens C F Glenn I J Isaac B K Weir
SECRETARY:	A Williamson
REGISTERED OFFICE:	3 Princess Way Redhill Surrey RH1 1NP
AUDITOR:	Deloitte LLP Reading

Registered in England and Wales.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2011

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions available to companies entitled to the small companies exemption

Activity

Historically, the principal activity of the company was the provision of residual value guarantees

Review of the year

Financial performance

The retained profit for the year was £nil (2010 retained loss £24,349) No dividend was paid during the year (2010 £nil)

Principal risks and uncertainties

The company's financial risk management objectives and policies regarding the use of financial instruments are set out in note 14 to these financial statements

Going concern

The company ceased to trade during the previous year and is not expected to trade in the foreseeable future These events did not require the company to remeasure, reclassify or adjust the settlement date of any assets or liabilities IAS 1 25 'Presentation of Financial Statements' describes the preparation of financial statements in such circumstances as being other than on a going concern basis

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year except where noted below, are listed on page 2

From 1 January 2011 to date the following changes have taken place

	Appointed	Resigned
Secretary		
L H Cameron		31 May 2011
K Daly	1 June 2011	11 January 2012
A Williamson	24 February 2012	

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

Company law requires the directors to prepare a directors' report and financial statements for each financial year and the directors have elected to prepare them in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss for the financial year of the company In preparing these financial statements, under International Accounting Standard 1, the directors are required to

- select suitable accounting policies and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions of the entity's financial position and performance, and
- make an assessment of the company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the directors' report and financial statements comply with the requirements of the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors at the date of approval of this report confirms that

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the company's auditor is aware of that information

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

AUDITOR

Deloitte LLP has expressed its willingness to continue in office as auditor

Approved by the Board of Directors and signed on behalf of the Board

N T J Clibbens
Director
Date 27 JUN 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GL LEASE COMPANY NO.8 LIMITED

We have audited the financial statements of GL Lease Company No. 8 Limited ('the company') for the year ended 31 December 2011 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 19 These financial statements have been prepared on a basis other than that of going concern under the accounting policies set out therein The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its result for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report

Elanor Gill, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
Reading, United Kingdom

27 June 2012

GL LEASE COMPANY NO.8 LIMITED 03930930

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2011

Discontinued operations	**Notes**	**2011**	2010
		£	£
Revenue	3	-	40,896
Operating expenses	4	-	(1,031)
Operating profit		-	39,865
Fair value losses		-	(68,112)
Finance income	5	-	255
Finance costs	6	-	(5,172)
Loss before tax	7	-	(33,164)
Tax credit	8	-	8,815
Loss and total comprehensive loss for the year		-	(24,349)

The accompanying notes form an integral part of these financial statements

BALANCE SHEET
as at 31 December 2011

	Notes	2011 £	2010 £
Current assets			
Loans and receivables	9	-	56,109
Trade and other receivables	10	1	4
Prepayments, accrued income and other assets	11	-	4,771
		1	60,884
Total assets		1	60,884
Current liabilities			
Borrowings from group undertakings	12	19,381	-
Accruals, deferred income and other liabilities	13	-	80,264
		19,381	80,264
Total liabilities		19,381	80,264
Equity			
Share capital	15	4	4
Retained earnings		(19,384)	(19,384)
Total equity		(19,380)	(19,380)
Total liabilities and equity		1	60,884

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 27 JUN 2012
and signed on its behalf by

N T J Clibbens
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2011

	Note	Share capital £	Retained earnings £	Total £
At 1 January 2010		4	(60,035)	(60,031)
Loss for the year		-	(24,349)	(24,349)
Capital contribution	18	-	65,000	65,000
At 31 December 2010		4	(19,384)	(19,380)
At 1 January 2011 and 31 December 2011		**4**	**(19,384)**	**(19,380)**

Total comprehensive income for the year of £nil (2010 loss of £24,349) was wholly attributable to the owners of the company

The accompanying notes form an integral part of these financial statements

GL LEASE COMPANY NO.8 LIMITED 03930930

CASH FLOW STATEMENT
for the year ended 31 December 2011

	Notes	2011 £	2010 £
Operating activities			
Loss for the year before tax		-	(33,164)
Adjustments for:			
Fair value losses		-	68,112
Finance income	5	-	(255)
Finance costs	6	-	5,172
Operating cash flows before movements in working capital		-	39,865
Decrease in trade and other receivables		3	-
Decrease/(increase) in prepayments, accrued income and other assets		4,771	(4,744)
(Decrease)/increase in accruals, deferred income and other liabilities		(6,257)	5,257
Increase/(decrease) in borrowings from group undertakings		75,490	(18,283)
Net cash from operating activities before tax		74,007	22,095
Tax paid		(74,007)	(82,178)
Net cash flows from operating activities		-	(60,083)
Cash flows from investing activities			
Interest received		-	255
Net cash flows from investing activities		-	255
Cash flows from financing activities			
Capital contribution		-	65,000
Interest paid		-	(5,172)
Net cash flows used in financing activities		-	59,828
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Presentation of accounts

The accounts are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union (EU) (together IFRS)

The accounts are prepared on the historical cost basis except that the following assets are stated at their fair value derivative financial instruments

The company's financial statements are presented in sterling which is the functional currency of the company

The company is incorporated in Great Britain and registered in England and Wales The company's accounts are presented in accordance with the Companies Act 2006

The company ceased to trade during the previous year and is not expected to trade in the foreseeable future These events did not require the company to remeasure, reclassify or adjust the settlement date of any assets or liabilities IAS 1.25 'Presentation of Financial Statements' describes the preparation of financial statements in such circumstances as being other than on a going concern basis

Adoption of new and revised standards

There are a number of changes to IFRS that were effective from 1 January 2011 They have had no material effect on the company's financial statements for the year ended 31 December 2011

b) Revenue recognition

Revenue represents net fees and equipment rental income, on goods held for resale, credited to the statement of comprehensive income and net profit of invoiced sales during the year

Residual Value Guarantee fees are accrued evenly over the period of the lease to which the Residual Value Guarantee relates except where, at inception, it is anticipated that losses will be incurred on disposal Where, at inception, losses are anticipated to arise on disposal, fees received at inception of the lease are deferred to match the anticipated loss on disposal

The company's profits on disposal of assets are recognised as they arise

Revenue arose in the United Kingdom from discontinued activities

c) Taxation

Income tax expense or income, comprising current tax and deferred tax, is recorded in the income statement except income tax on items recognised outside profit or loss which is credited or charged to other comprehensive income or to equity as appropriate

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income or in equity Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

c) Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date

d) Derivatives

Derivative financial instruments are recognised initially, and subsequently measured, at fair value, with movements recognised in income Derivative fair values are determined from quoted prices in active markets where available Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability A derivative is presented as a non-current asset or a non-current liability if the remaining maturity is more than 12 months and it is not expected to be realised or settled within 12 months Other derivatives are presented as current assets or current liabilities

Gains and losses arising from changes in fair value of a derivative are recognised in profit or loss as they arise

e) Financial assets

On initial recognition, financial assets are classified into held-to-maturity investments held-for-trading, designated as at fair value through profit or loss, loans and receivables, or available-for-sale financial assets

Loans and receivables

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss Loans and receivables are initially recognised at fair value plus directly related transaction costs They are subsequently measured at amortised cost using the effective interest method less any impairment losses

f) Impairment of financial assets

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as held-to-maturity, available-for-sale or loans and receivables is impaired A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

g) Financial liabilities

On initial recognition financial liabilities are classified into held-for-trading, designated as at fair value through profit or loss, or amortised cost

Amortised cost

Other than derivatives, which are recognised and measured at fair value, all other financial liabilities are measured at amortised cost using the effective interest method

h) Accounting developments

No recent IASB announcement is expected to have a material effect on the company's accounting policies or financial statements

2. Critical accounting policies and key sources of estimation uncertainty

The reported results of the company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements UK company law and IFRS require the directors, in preparing the company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent In the absence of an applicable standard or interpretation, IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements The judgements and assumptions involved in the company's accounting policies that are considered by the directors to be the most important to the portrayal of its financial condition are discussed below The use of estimates, assumptions or models that differ from those adopted by the company would affect its reported results

Loan impairment provisions

The company's loan impairment provisions are established to recognise incurred impairment losses in its portfolio of loans classified as loans and receivables and carried at amortised cost A loan is impaired when there is objective evidence that events since the loan was granted have affected expected cash flows from the loan The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate

3. Revenue

	2011	2010
	£	£
Net profit on invoiced sales	-	40,896

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Operating expenses

	2011	2010
	£	£
Commission	-	31
Audit fees	-	1,000
	-	1,031

Staff costs, number of employees and directors' emoluments

The company had no employees in the current year (2010 – none)

Employee costs are incurred by the intermediate parent company, Lombard North Central PLC The directors of the company do not receive remuneration for specific services provided to the company

5. Finance income

	2011	2010
	£	£
On loans and receivables from group undertakings	-	255

6. Finance costs

	2011	2010
	£	£
Interest on overdue tax	-	5,172

7. Loss before tax

Loss before tax is stated after charging

	2011	2010
	£	£
Auditor's remuneration – audit services	-	1,000

There was no charge in the current year's financial statements for auditor's remuneration as the fees were charged in the financial statements of a related group entity, GL Lease Company No 10 Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Tax

	2011	2010
	£	£
Current taxation		
UK corporation tax charge for the year	-	140,565
Underprovision in respect of prior periods	-	471
	-	141,036
Deferred taxation		
Credit for the year	-	(149,851)
Tax credit for the year	-	(8,815)

The actual tax credit differs from the expected tax credit computed by applying the standard rate of UK corporation tax of 26 5% (2010 standard tax rate 28 0%) as follows

	2011	2010
	£	£
Expected tax credit	-	(9,286)
Adjustments in respect of prior periods	-	471
Actual tax credit for the year	-	(8,815)

The changes to tax rates and capital allowances proposed in the Budgets on 22 June 2010, 23 March 2011 and 21 March 2012 are not expected to have a material effect on the company

9. Loans and receivables

	2011	2010
	£	£
Amounts owed by group undertakings	-	56,109

The fair value of loans and receivables is considered not to be materially different to the carrying amounts in the balance sheet

10. Trade and other receivables

	2011	2010
	£	£
Other receivables	1	4

11. Prepayments, accrued income and other assets

	2011	2010
	£	£
VAT receivable	-	4,771

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Borrowings from group undertakings

	2011	2010
	£	£
Amounts owed by group undertakings	19,381	-

The fair value of borrowings is considered not to be materially different to the carrying amounts in the balance sheet

13. Accruals, deferred income and other liabilities

	2011	2010
	£	£
Accruals	-	6,257
Corporation tax payable	-	74,007
	-	80,264

14. Financial instruments and risk management

(i) Categories of financial instruments

The following tables analyse the company's financial assets and liabilities in accordance with the categories of financial instruments in IAS 39 'Financial Instruments, Recognition and Measurement' Assets and liabilities outside the scope of IAS 39 are shown separately

2011	At amortised cost	Non financial assets/ liabilities	Total
	£	£	£
Assets			
Trade and other receivables	-	1	1
	-	1	1
Liabilities			
Borrowings from group undertakings	19,381	-	19,381
	19,381	-	19,381
Equity			(19,380)
			1

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial instruments and risk management (continued)

(i) Categories of financial instruments (continued)

2010	Loans and receivables £	Non financial assets/ liabilities £	Total £
Assets			
Loans and receivables	56,109	-	56,109
Trade and other receivables	-	4	4
Prepayments, accrued income and other assets	-	4,771	4,771
	56,109	4,775	60,884
Liabilities			
Accruals, deferred income and other liabilities	-	80,264	80,264
	-	80,264	80,264
Equity			(19,380)
			60,884

(ii) Financial risk management

The principal risks associated with the company's businesses are as follows

Market risk

Market risk is the potential for loss as a result of adverse changes in risk factors including interest rates, foreign currency and equity prices together with related parameters such as market volatilities

There are no significant market risks to which the company is exposed

Interest rate risk

Interest rate risk arises where assets and liabilities have different repricing maturities

The only financial assets or liabilities that are exposed to interest rate risk are the balances of loans and receivables

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date The analysis is prepared on the assumption that the balances receivable and/or payable at the balance sheet date were receivable and/or payable for the whole year

If interest rates had been 0 5% higher and all other variables were held constant, the company's profit before tax for the year would not have been impacted (2010 loss before tax for the year would have decreased by £281) This is due to the company's exposure to interest rates on its variable rate lendings There would be no other impact on equity

Currency risk

The company has no currency risk as all transactions and balances are denominated in sterling

14. Financial instruments and risk management (continued)

(ii) Financial risk management (continued)

Credit risk

Credit risk is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the company

All loans and receivables are with group undertakings Although credit risk arises this is not considered to be significant and no amounts owed are past due

Liquidity risk

The company has no material liquidity risk as it has no financial liabilities

Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures The company manages this risk, in line with the RBS group framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit The company also maintains contingency facilities to support operations in the event of disasters

15. Share capital

	2011 £	2010 £
Authorised:		
25 Class A ordinary shares of £1	**25**	25
75 Class B ordinary shares of £1	**75**	75
	100	100
Allotted, called up and fully paid		
Equity shares		
1 Class A ordinary shares of £1	**1**	1
3 Class B ordinary shares of £1	**3**	3
	4	4

Dividends
To the extent that distributable reserves are available and dividends are paid, the holder of each A Share shall be entitled to be paid a dividend in respect of each A share which is three times the value of the dividend paid in respect of each B share

Winding up
On a winding up or on a return of capital or otherwise, the assets of the company available for distribution shall be applied so that there shall be paid to the holder of the A shares in respect of each A share an amount which is three times that paid to the holder of the B Shares in respect of each B share

Voting rights
The holder of the A Shares shall be entitled to three votes per A share held and the holder of the B Shares shall be entitled to one vote per B Share held, whether on a show of hands or on a poll

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Capital resources

The company's capital consists of equity comprising issued share capital and retained earnings The company is a member of The Royal Bank of Scotland group of companies which has regulatory disciplines over the use of capital In the management of capital resources, the company is governed by the group's policy which is to maintain a strong capital base it is not separately regulated The group has complied with the FSA's capital requirements throughout the year.

17. Related parties

UK Government

On 1 December 2008, the UK Government through HM Treasury became the ultimate controlling party of The Royal Bank of Scotland Group plc The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly-owned by the UK Government As a result, the UK Government and UK Government controlled bodies became related parties of the company
The company enters into transactions with these bodies on an arms' length basis, they consist solely of the payment of taxes including UK corporation tax

Group undertakings

The company's immediate parent company is Lombard Lessors Limited, a company incorporated in Great Britain and registered in England and Wales As at 31 December 2011, The Royal Bank of Scotland plc heads the smallest group in which the company is consolidated Copies of the consolidated accounts may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ

The company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in Great Britain and registered in Scotland As at 31 December 2011, The Royal Bank of Scotland Group plc heads the largest group in which the company is consolidated Copies of the consolidated accounts may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ

	2011	2010
	£	£
Finance income		
Fellow subsidiaries	-	255
Amounts owed by group undertakings		
Fellow subsidiaries	-	56,109
Borrowings from group undertakings		
Fellow subsidiaries	**19,381**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Capital contribution

On 24 September 2010 the company received a gift of £65,000 from a fellow group undertaking No new shares have been issued, the gift does not attract dividends or other investment return and nor is there an obligation for repayment The gift is taken as a capital contribution thereby directly increasing distributable reserves and returning shareholders' funds to a surplus position

19. Post balance sheet event

On 19 March 2012 the company received a gift of £19,384 from a fellow group undertaking. No new shares have been issued, the gift does not attract dividends or other investment return and nor is there an obligation for repayment. The gift is taken as a capital contribution thereby directly increasing distributable reserves and returning shareholders' funds to a surplus position