NATIONAL AUSTRALIA FINANCE (VESSEL LEASING NO. 2) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Registered number 05016226

30 SEPTEMBER 2013

Officers and Professional Advisers

Directors	R. Lakin G. Elswood D. Rawson
Secretary	B. Lewis
Registered Office	88 Wood Street London EC2V 7QQ
Bankers	National Australia Bank Limited
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Report of the Directors

The directors of National Australia Finance (Vessel Leasing No. 2) Limited (the "Company") submit their report and Financial Statements for the year ended 30 September 2013.The Company is registered in England and Wales with registration number 05016226.

Principal activities

The Company provides leasing facilities to industry. The transactions which it enters relate principally to high value finance lease agreements.

Business review and future developments

There have been no significant changes to the business during the year. The principal risk and uncertainties are set out in the risk overview note to the Financial Statements. The Company does not expect any significant changes in the future.

The directors do not rely on any key performance indicators (KPI's) at the company level to monitor performance. The nature of the business means it is more relevant to perform a review of the KPI's at the NAB Group level.

Going Concern

The Directors consider the going concern basis of preparation of the Financial Statements to be appropriate. The Company has an adequate capital base and funding from its parent for the Company to continue in operation for at least the next 12 months from the date of approval of the Financial Statements. There are no events or conditions that exist that cast any doubt on the Company's ability to continue as a going concern.

Profits and appropriations

The loss attributable to the shareholders for the year ended 30 September 2013 amounted to £35,476 (2012: £39,456 profit). No dividend has been paid during the year (2012: £nil). The directors do not recommend the payment of a final dividend in respect of this financial year (2012: £nil).

Directors and directors' interests

The names of the current directors are listed on page 2.

There have been the following changes of directorships during the year and up to the date of signing of the Financial Statements:

D. Rawson (appointed 16 January 2014)

Directors' interests

As the Company is a wholly owned subsidiary of National Australia Bank Limited ("NAB"), which is incorporated in Australia, any interest which the directors may have in NAB does not need to be notified to the Company so is not disclosed in this report. No director had any interest in the shares or debentures of the Company.

Directors' liabilities

During the year the NAB Group paid a premium for a contract insuring the directors and officers of NAB, its subsidiaries and controlled entities against personal liabilities which may arise in the course of the performance of their duties, as well as protecting the NAB Group itself to the extent that it is obliged to indemnify directors and officers for such liability.

Report of the Directors *(continued)*

Directors' remuneration

The directors of the Company are remunerated as employees of the ultimate parent company, NAB, and do not receive incremental remuneration in respect of their duties as directors of the Company. As there has been no substantial new activity in the year requiring executive input, the directors believe it would be inappropriate to apportion part of their remuneration as being in respect of their duties to the Company.

Company secretary

The current Company secretary is shown on page 2.

Employee involvement

The Company does not have any employees (2012: nil). All staff are provided by the ultimate parent company, NAB.

Political donations

No political donations were made throughout the year (2012: £nil).

Corporate Governance

It is the Company's policy not to include all of the disclosures in respect of voluntary Corporate Governance Codes of Practice as it is a wholly owned subsidiary of NAB. The NAB Group's Annual Financial Report details the corporate governance framework applicable to the Company. These disclosures are made after consideration of authoritative pronouncements on audit committees and associated disclosures in Australia, the USA and UK.

Events since the reporting date

No information has been identified since the reporting date, about conditions existing at the reporting date, which are required to be disclosed in these financial statements.

Auditors

In accordance with section 485 of the Companies Act 2006 a resolution to reappoint Ernst & Young LLP will be proposed at the next meeting of the board of directors.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board

G. Elswood
Director
2 May 2014

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the Financial Statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 of the Company and the profit and loss of the Company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with *IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 enable them to ensure that the financial statements comply with 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.

Independent Auditor's Report to the Members of National Australia Finance (Vessel Leasing No.2) Limited

We have audited the Financial Statements of National Australia Finance (Vessel Leasing No. 2) Limited for the year ended 30 September 2013 which comprise the statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and the related notes 1 to 8. 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 Statement of Directors' Responsibilities set out on page 5, 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 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 Directors' report and Financial Statements of the Company to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 September 2013 and of its loss 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.

Independent Auditor's Report to the Members of National Australia Finance (Vessel Leasing No.2) Limited *(continued)*

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's 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.

Ernst & Young LLP

Javier Faiz (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

9 May 2014

Statement of comprehensive income for the year ended 30 September 2013

	Note	2013 £	2012 £
Finance lease income		(118,630)	14,769
		(118,630)	14,769
Finance costs	7	(70,518)	(151,734)
Other expenses		(400)	(400)
		(70,918)	(152,134)
Loss on ordinary activities before tax		(189,548)	(137,365)
Tax credit	3	154,072	176,821
(Loss)/profit for the year and total comprehensive (loss)/profit		(35,476)	39,456

All items dealt with in arriving at the loss before tax for 2013 and 2012 relate to continuing operations.

Statement of changes in equity for the year ended 30 September 2013

	Share capital £	Retained earnings £	Total shareholders' equity £
Balance at 1 October 2011	10,000	989,312	999,312
Profit for the year	-	39,456	39,456
Balance at 30 September 2012	10,000	1,028,768	1,038,768
Loss for the year	-	(35,476)	(35,476)
Balance at 30 September 2013	10,000	993,292	1,003,292

Statement of financial position as at 30 September 2013

	Note	2013 £	2012 £
Non-current assets			
Finance lease receivables	4	11,958,082	14,966,441
		11,958,082	14,966,441
Current assets			
Cash and cash equivalents	7	392,728	572,247
Finance lease receivables	4	2,623,870	2,602,262
		3,016,598	3,174,509
Total assets		14,974,680	18,140,950
Current liabilities			
Due to related entities	7	12,238,057	14,508,075
Corporation tax payable		903,912	955,584
		13,141,969	15,463,659
Non-current liabilities			
Deferred tax liabilities	5	829,419	1,638,523
Total liabilities		13,971,388	17,102,182
Net assets		1,003,292	1,038,768
Shareholders' equity			
Share capital	6	10,000	10,000
Retained earnings		993,292	1,028,768
Total shareholders' equity		1,003,292	1,038,768

The Financial Statements were approved by the directors on 2 May 2014 and were signed on their behalf by:

R. Lakin
Director

Statement of cash flows for the year ended 30 September 2013

	Note	2013 £	2012 £
Cash flows from operating activities			
Cash received from customers		2,868,121	2,926,131
Interest paid		(82,502)	(156,461)
Tax paid		(706,704)	(996,775)
Cash paid to suppliers		(400)	(400)
Net cash provided by operating activities		2,078,515	1,772,495
Cash flows from financing activities			
Decrease in borrowings from related entities		(2,258,034)	(2,271,345)
Net cash used in financing activities		(2,258,034)	(2,271,345)
Net decrease in cash and cash equivalents		(179,519)	(498,850)
Cash and cash equivalents at beginning of year		572,247	1,071,097
Cash and cash equivalents at end of year	7	392,728	572,247

Notes to the Financial Statements

1) Authorisation of Financial Statements and statement of compliance with International Financial Reporting Standards

The Financial Statements of National Australia Finance (Vessel Leasing No. 2) Limited for the year ended 30 September 2013 were authorised for issue by the directors on 2 May 2014 and the statement of financial position was signed on their behalf by R. Lakin.

The Company is incorporated and registered in the UK.

The ultimate parent undertaking is National Australia Bank Limited ("NAB"), a company incorporated in the State of Victoria, Australia. This company heads the smallest and largest group in which the results of the Company are consolidated.

National Australia Finance (Europe Holdings) Limited is the immediate parent for the Company.

Copies of group accounts prepared in respect of NAB may be obtained from the London Branch at 88 Wood Street, London EC2V 7QQ.

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the Companies Act 2006. The principal accounting policies adopted by the Company are set out in Note 2.

2) Accounting policies

Basis of preparation

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities. Assumptions made at each reporting date are based on best estimates at that date. Although the Company has internal control systems in place to ensure that estimates can be reliably measured, actual amounts may differ from those estimates. It is not anticipated that such differences would be material.

The Financial Statements have been prepared under the historical cost convention, as modified by the application of fair value measurements as required by the relevant accounting standards.

Accounting developments

(a) New and amended standards adopted by the Company

There are no IFRSs, IFRIC interpretations or any amended standards that are effective for the first time for the financial year beginning 1 October 2012 that have a material impact on the Company.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

- IFRS 9 (new standard) "Financial instruments" (effective from 1 January 2015) addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded as a component of 'other comprehensive income'.

Notes to the Financial Statements *(continued)*

2) Accounting policies *(continued)*

Accounting developments *(continued)*

There are no other new standards, or amendments to existing standards not yet effective that are considered relevant to the Company.

Functional and presentational currency

The Financial Statements are presented in pounds sterling, which is the Company's functional and presentational currency.

Finance Leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. Assets held under finance leases are recognised as finance lease receivables in the statement of financial position. Finance income receivable is recognised over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

Borrowings

Borrowings are recognised at fair value net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method. The interest costs on borrowings relating to the operations of the Company have been charged to the statement of comprehensive income under the effective interest rate method.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the taxable income for the year and on the basis of the tax laws enacted or substantively enacted at 30 September 2013.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by 30 September 2013 and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank.

Share capital

Ordinary shares are classified as equity.

Notes to the Financial Statements *(continued)*

3) Income tax credit

a) Analysis of credit in the year

	2013	2012
	£	£
Current tax		
Corporation tax payable at 23.5% (2012: 25%)		
- Current year	(655,032)	(693,893)
	(655,032)	(693,893)
Deferred tax		
Origination and reversal of temporary timing differences		
- Current year	699,576	728,234
- Tax rate difference	109,528	142,480
	809,104	870,714
Income tax credit reported in the statement of comprehensive income	154,072	176,821

b) Factors affecting tax credit for the year

	2013	2012
	£	£
Loss before tax	(189,548)	(137,365)
Loss multiplied by standard rate of corporation tax in the UK of 23.5% (2012: 25%)	44,544	34,341
Effects of:		
Tax rate difference	109,528	142,480
Total income tax credit for the year	154,072	176,821

Notes to the Financial Statements *(continued)*

4) Finance lease receivables

As at 30 September 2013

	Gross investment in lease	Unearned finance income	Present value of minimum lease payments
	£	£	£
Amounts receivable under finance leases:			
Within one year	3,211,354	(587,484)	2,623,870
After more than one year and not later than 5 years	12,528,041	(569,959)	11,958,082
	15,739,395	(1,157,443)	14,581,952
Analysed as:			
Current finance lease receivables			2,623,870
Non-current finance leases receivables			11,958,082
			14,581,952

As at 30 September 2012

	Gross investment in lease	Unearned finance income	Present value of minimum lease payments
	£	£	£
Amounts receivable under finance leases:			
Within one year	3,337,757	(735,495)	2,602,262
After more than one year and not later than 5 years	16,158,638	(1,192,197)	14,966,441
	19,496,395	(1,927,692)	17,568,703
Analysed as:			
Current finance lease receivables			2,602,262
Non-current finance leases receivables			14,966,441
			17,568,703

During the year, contingent rents of £588,107 were recognised as a reduction to finance lease income in the Statement of comprehensive income (2012: £620,452 reduction).

The Company leases a container ship to a third party under a finance lease. Rentals are calculated to recover the cost of the asset, and earn finance income.

Notes to the Financial Statements *(continued)*

5) Deferred tax liabilities

	2013	2012
	£	£
Opening balance	1,638,523	2,509,237
Tax credit recognised in statement of comprehensive income (Note 3)	(809,104)	(870,714)
Closing balance	829,419	1,638,523
The deferred tax liabilities included in the statement of financial position are attributable to:		
Depreciation	829,419	1,638,523

The Finance Bill 2013 was substantively enacted on 17 July 2013. The reduction in the standard corporation tax rate from 23% to 21% will be effective from 1 April 2014, with a subsequent 1% reduction to 20% effective from 1 April 2015.

Deferred tax balances should be calculated at the rate at which the balances are expected to be settled, based on tax rates (and laws) that have been substantively enacted at the balance sheet date. As the reductions in the corporation tax rates to 21% and 20% have been substantively enacted at 30 September 2013, the deferred tax balance has been calculated with reference to these rates.

6) Share capital

	2013	2012
	£	£
Authorised:		
Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	10,000	10,000

Notes to the Financial Statements *(continued)*

7) Related party transactions

The Company is a wholly owned controlled entity of National Australia Finance (Europe Holdings) Limited. The ultimate parent of the Company is NAB.

During the year there have been transactions between the Company, its ultimate parent and controlled entities of the ultimate parent.

In the normal course of business the Company maintains and conducts transactions with other members of the NAB Group. This business is conducted at prevailing market rates and terms.

The Company receives a range of services from the ultimate parent and related parties including loans and deposits and various administrative services. Fees may be charged for these services.

	2013 £	2012 £
Amounts due from related entities		
Current assets		
Cash at bank held with the ultimate parent	392,728	572,247
	392,728	572,247

	2013 £	2012 £
Amounts due to related entities		
Current liabilities		
Amounts due to ultimate parent undertaking	12,224,608	14,482,642
Interest payable to the ultimate parent undertaking	13,449	25,433
	12,238,057	14,508,075
Transactions during the year with related parties		
Finance costs	70,518	151,734

The Company's audit fees are borne by the ultimate parent company, NAB.

Transactions with directors, key management and their close family members

There are no amounts outstanding at 30 September 2013 (2012: £nil) for transactions, arrangements and agreements between the Company and its directors, key management and their close family members during the year.

Compensation of key management personnel

All compensation received by key management personnel relates to their duties on behalf of other NAB Group companies. Thus no disclosure is presented in these Financial Statements.

Notes to the Financial Statements *(continued)*

7) Related party transactions *(continued)*

Directors' emoluments

The directors are employed as executives of other NAB Group companies and do not receive incremental remuneration in respect of their duties as directors of this company. As there has been no substantial new activity in the year requiring executive input, the directors believe it would be inappropriate to apportion part of their remuneration as being in respect of their duties to the company. The aggregate emoluments of the directors of the Company were £nil (2012: £nil).

8) Risk Overview

Risk management

Effective management of risk is a key capability for a successful financial services provider, and is fundamental to NAB Group. A key component of the NAB Group's risk management strategy is the establishment by the Board of a formal 'risk appetite statement' for the NAB Group.

This places an overall limit on the total amount of risk that the NAB Group is prepared to take. That position is set with respect to the returns that the NAB Group is seeking to provide to shareholders, the credit rating that the NAB Group is seeking to maintain, and the NAB Group's capital position and desired ratios.

In line with the NAB Group Risk Charter, the NAB Group's approach to risk management is based on an overriding principle that risk management capability must be embedded within the business' front-line teams to be effective. This overriding principle embodies the following concepts:

- all business decisions proactively consider risk;
- business managers use the risk management framework, which assists in the appropriate balancing of both risk and reward components;
- all employees are responsible for risk management in their day-to-day activities; and
- risk management is a core competency for all employees.

The NAB Group manages risk within an established 'three lines of defence' framework. Control is exercised through clearly defined delegation of authority, with clear and rapid communication and escalation channels throughout the organisation. The first line of defence comprises the business units managing the risks associated with their activities. The second line encompasses dedicated risk functions who are accountable for independent monitoring and oversight. The third line of defence relates to Internal Audit independently reviewing, monitoring, and testing business unit compliance with risk policies and procedures, and regularly assessing the overall effectiveness of the risk management framework.

Within the UK there is also a regional Risk Management Committee comprised of senior regional executives, which serves to provide a leadership focus on key risk issues from a regional perspective.

Operational risk and compliance

Operational risk is the risk of loss resulting from inadequate or failed processes, people or systems, or from external events. This includes risk relating to the management of ongoing activities, as well as to organisational changes such as project and change initiatives.

Notes to the Financial Statements *(continued)*

8) Risk Overview *(continued)*

Operational risk and compliance*(continued)*

Compliance is the requirement to comply with external regulatory and legal obligations in addition to operating within the Group and regional policies and standards. This includes risk relating to reputational impact, incurring restrictive conditions and undertakings by regulators on how the Group does business.

Various reports are produced at regional management, Board sub-committee and Board level to assist with their oversight and monitoring obligations. This incorporates regional reporting of risk profiles, key operational risk and events, as well as consideration of external events and their relevance to the NAB Group. This process generates visibility and understanding of the NAB Group's overall operational risk profile.

The NAB Group is committed to sound risk management and compliance and continues to improve its capabilities in these areas.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amounts of cash and cash equivalents and amounts due to related entities are considered to approximate fair value. This is due to their short term nature.

The carrying amounts for lease receivables and deferred tax liabilities are based on cash flow models from an internal accounting system.

Credit risk

Credit risk is the potential that a borrower or a counterparty will fail to meet its obligations in accordance with agreed terms. NAB places limits around the amount of risk accepted to one borrower, which are monitored on a frequent basis.

The maximum exposures to credit risk for the components of the statement of financial position are set out below.

Notes to the Financial Statements *(continued)*

8) Risk Overview *(continued)*

Credit risk(continued)

	2013	2012
	£	£
Assets		
Finance lease receivables	14,581,952	17,568,703
Cash and cash equivalents	392,728	572,247
Total credit risk exposure	14,974,680	18,140,950

The Company does not have any collateral or other credit enhancements supporting these assets. The credit quality of assets is neither past due or impaired. There are no undrawn commitments that the Company is exposed to.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no material transactional exposures that give rise to net currency gains and losses.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due.

The liquidity risk monitoring and maintenance is managed on a monthly basis from reviews performed on management information to ensure that all liabilities can be met when they fall due.

The directors do not believe there is a significant exposure to liquidity risk due to the related party nature of funding and liability exposures with fellow NAB Group companies.

Notes to the Financial Statements *(continued)*

8) Risk Overview *(continued)*

Liquidity risk *(continued)*

Cash flows maturity profile for liabilities as they fall due 2013 £	3 months or less	3 to 12 months	No specific maturity	Total
Corporation tax payable	-	-	903,912	903,912
Due to related entities	12,238,057	-	-	12,238,057
	12,238,057	-	903,912	13,141,969

Cash flows maturity profile for liabilities as they fall due 2012 £	3 months or less	3 to 12 months	No specific maturity	Total
Corporation tax payable	-	-	955,584	955,584
Due to related entities	14,508,075	-	-	14,508,075
	14,508,075	-	955,584	15,463,659

Interest rate risk

The Company's exposure to interest rate risk is in relation to the mismatching of the reset for interest receivable on assets and interest payable on liabilities.

The directors do not believe there is significant risk because the net impact of any interest rate reset is minimal.

Capital Management

The Company is governed by NAB Group's capital management policy. The objectives of the NAB Group's capital management policy are to efficiently manage the capital base to optimise shareholder returns whilst maintaining capital adequacy and satisfying key stakeholders such as regulators and ratings agencies. This is managed and monitored at a group level not at a Company level.