

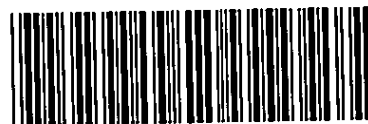
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Company Number : FC024011

MACHILL INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2008

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Annual Report and Financial Statements

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Officers and professional advisers

Directors	J. Duffy T. Slater S. Learoyd C. Burgess (alternate to S. Learoyd)
Secretary	B. Lewis
Cayman Islands registered office	Maples and Calder Ugland House South Church Street P.O. Box 309 George Town Grand Cayman, Cayman Islands
UK branch office	88 Wood Street London EC2V 7QQ
Bankers	National Australia Bank Limited
Advisors as to English Law	Linklaters and Alliance
Advisors as to Cayman Island Law	Maples and Calder
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

Report of the Directors

The Directors of Machill Investments Limited ('the Company') submit their Report and Financial Statements for the year to 30 September 2008.

Principal activities

The Company, a subsidiary of Clydesdale Bank Plc provides finance to other group companies. The Company did not enter into any new transactions during the year ended 30 September 2008.

Business review and future developments

The Company has not experienced any significant changes in business during the current financial year. There are no significant changes expected in the future. The principal risks and uncertainties are set out in Note 12 to the Financial Statements.

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

Profits and appropriations

The profit attributable to the shareholders for the year to 30 September 2008 amounted to £727,000 (2007: £703,000). Interim dividends totalling £484,000 (2007: £722,000) were paid during the year. The Directors do not recommend the payment of a final dividend in respect of the financial year.

Directors and Directors' interests

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

Directors' interests

No Director had any interest in the shares or debentures of the Company or any Group company at any time during the year. 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.

Directors' liabilities

During the year NAB paid a premium for a contract insuring the Directors and officers of National Australia Bank Limited, 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 Group itself to the extent that it is obligated to indemnify Directors and officers for such liability.

Company Secretary

The current Company Secretary is shown on page 2.

On 6 April 2008, B. McAll resigned and B. Lewis was appointed as Company Secretary.

Employee involvement

The Company does not have any employees. All staff are provided by the ultimate parent company, NAB.

Charitable and political donations

No charitable or political donations were made throughout the year (2007: 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 the UK.

Report of the Directors *(continued)*

Events after the balance sheet date

No information has been identified since the balance sheet date about the condition existing at the balance sheet date which requires to be disclosed in these Financial Statements.

Auditors

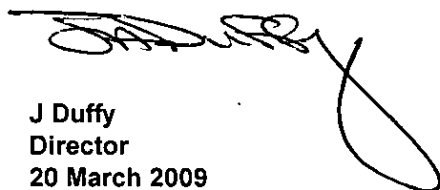
A resolution to reappoint Ernst and Young LLP, and to authorise the Directors to fix their remuneration, will be proposed at the next Annual General Meeting.

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 to fellow Directors and of the company's auditors, each of these Directors confirm 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.



J Duffy
Director
20 March 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and International Financial reporting Standards (IFRS).

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that financial year. In preparing these Financial Statements, 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 of IFRS is insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the entity's financial position and financial performance; and
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the Financial Statements comply with applicable law. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the Independent Auditor to the directors of Machill Investments Limited

We have audited the Company's Financial Statements for the year ended 30 September 2008 which comprise the Income Statement, Balance Sheet, Cash Flow Statement of the Company, and the related notes 1 to 12. These Financial Statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the directors as a body. Our audit work has been undertaken so that we might state to the directors those matters we are required under International Standards on Auditing (UK and Ireland) to state to them in an auditors' report and for no other purpose. To the fullest extent required by the law, we do not accept or assume responsibility to anyone other than the company and the directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable International Financial Reporting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland), and to report to you our opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

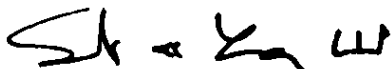
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2008 and of its profit for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink, appearing to be 'Sk - Yn W'.

Ernst & Young LLP
London
27 March 2009

Income Statement for the year ended 30 September 2008

	Note	2008 £'000	2007 £'000
Interest income	3, 11	15,100	15,093
Interest expense	11	(9,994)	(9,862)
Profit on ordinary activities before taxation		<u>5,106</u>	<u>5,231</u>
Tax expense	4	(4,379)	(4,528)
Profit for the financial year		<u>727</u>	<u>703</u>
Dividends paid	5	(484)	(722)
Retained profit / (loss) for the year		<u>243</u>	<u>(19)</u>

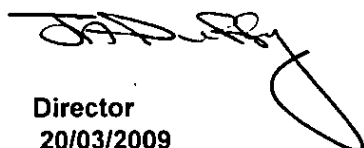
The Company has no other recognised gains or losses other than the profit for the year.

All material items dealt with in arriving at the operating profit for 2008 and 2007 relate to continuing operations.

Balance Sheet as at 30 September 2008

	Note	2008 £'000	2007 £'000
Non current assets			
Due from related entities	11	276,000	276,000
Current assets			
Due from related entities	11	9,061	8,943
Cash and cash equivalents	10	41	15
		<u>9,102</u>	<u>8,958</u>
Total assets		<u>285,102</u>	<u>284,958</u>
Current liabilities			
Current tax		(2,104)	(2,176)
Due to related entities	11	<u>(2,422)</u>	<u>(2,449)</u>
		(4,526)	(4,625)
Non current liabilities			
Due to related entities	11	(200,000)	(200,000)
Total liabilities		<u>(204,526)</u>	<u>(204,625)</u>
Net assets		<u>80,576</u>	<u>80,333</u>
Shareholders' equity			
Share capital	6	80	80
Share premium	7	79,920	79,920
Retained earnings	8	576	333
	9	<u>80,576</u>	<u>80,333</u>

These financial statements were approved by the Board of Directors on 20 March 2009 and were signed on its behalf by J Duffy:


Director
20/03/2009

Cash flow statement for the year ended 30 September 2008

	2008 £'000	2007 £'000
Cash flows from operating activities :		
Profit before taxation	5,106	5,231
<i>Adjustment for non-cash movements :</i>		
Interest income	(15,100)	(15,093)
Interest expense	9,994	9,862
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>	<u>-</u>	<u>-</u>
Tax paid	(4,451)	(4,619)
<i>Net cash used in operating activities</i>	<u>(4,451)</u>	<u>(4,619)</u>
Cash flows from investing activities		
Interest received	15,102	15,121
Increase in borrowing	(120)	-
<i>Net cash provided by investing activities</i>	<u>14,982</u>	<u>15,121</u>
Cash flows from financing activities		
Ordinary dividends paid	(484)	(722)
Preference dividends paid	(10,021)	(9,790)
<i>Net cash used in financing activities</i>	<u>(10,505)</u>	<u>(10,512)</u>
Increase in cash and cash equivalents	<u>26</u>	<u>(10)</u>
Cash and cash equivalents at the beginning of the year	15	25
Cash and cash equivalents at the end of the year	<u>41</u>	<u>15</u>

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Notes to the Financial Statements

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

The Financial Statements of Machill Investments Limited ("the Company") for the year ended 30 September 2008 were authorised for issue by the Directors on 20 March 2009 and the balance sheet was signed on their behalf by J Duffy.

The Company is incorporated in the Cayman Islands. The ultimate parent undertaking is National Australia Bank Limited, a Company incorporated in the State of Victoria, Australia. NAB also heads the largest group in which the results of the Company are consolidated. The smallest group in which the results of the Company are consolidated is that headed by Clydesdale Bank PLC which is incorporated in Great Britain and registered in England & Wales.

Copies of group accounts prepared in respect of Clydesdale Bank PLC may be obtained from the Company Secretary at 30 St Vincent Place, Glasgow G1 2HL. Copies of the group accounts prepared in respect of NAB may be obtained from National Australia Bank Limited (London Branch), 88 Wood Street, London EC2V 7QQ.

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards. The principal accounting policies adopted by the Company are set out below.

2) **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements:

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, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Assumptions made at each balance sheet 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.

Functional and presentational currency

The Financial Statements are presented in pounds sterling, which is the Company's functional and presentational currency. All amounts are expressed in pound sterling and all values are rounded to the nearest thousand pounds unless otherwise stated.

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of inception. Cash and cash equivalents are brought to account at the face value or the gross value of the outstanding balance where appropriate.

Interest income

Interest income is reflected in the Income Statement using the effective interest method. The effective interest rate method is a method of calculating amortisation using the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts the estimated stream of future cash payments or receipts over the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial instrument.

Notes to the Financial Statements (continued)

Related party transactions

The company enters into a number of related party transactions including receiving and providing funding to other NAB group companies. Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not classed as 'available for sale' or designated at fair value through profit and loss. Loans and receivables are recorded at amortised cost using the effective interest method, adjusted for impairment losses and unearned income. They are derecognised when the rights to receive cash flow have expired or transferred substantially all the risks and rewards of ownership.

Income tax

Income tax expense or revenue is the tax payable (or receivable) on the current period's taxable income based on the applicable tax rate.

Income tax on the profit and loss for the year comprises current tax. Income tax is recognised in the income statement except to the extent that it is related to items recognised in equity, in which case the tax is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Dividend expense

Dividend expense is recorded in the income statement when the Company's right to receive the dividend is established. Under IAS 39 the preference dividends are classified as non current liabilities, and the dividend expense is recorded within interest expense.

Accounting Developments

During the year the International Accounting Standards Board and the International Financial Reporting Interpretations Committee have issued standards and interpretations with an effective date after the date of these financial Statements. The Directors do not consider that any of these standards and interpretations will have a material impact on the Company's financial statements.

3)	Interest income	2008 £'000	2007 £'000
	Interest income from related party	15,100	15,093
		<u>15,100</u>	<u>15,093</u>
4)	Tax expense	2008 £'000	2007 £'000
	<i>a) Analysis of the charge for the year</i>		
	UK corporation tax charge at 29% (2007: 30%)	4,379	4,528
		<u>4,379</u>	<u>4,528</u>

The current tax charge for the year is 29% equivalent to the average standard rate of corporation tax. The first half of the year was 30% against the new standard tax rate in the UK of 28% in the second half of the year.

Notes to the Financial Statements (continued)

4) Tax expense

b) Analysis of the charge for the year

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	5,106	5,231
Current tax at 29% (2007: 30%)	1,481	1,569
<i>Effects of:</i>		
Permanent differences	2,898	2,959
Total current tax charge	4,379	4,528

5) Dividends paid

	2008 £'000	2007 £'000
Equity - interim ordinary dividends paid £6.05 per share (2007: £9.02 per share)	484	722
	484	722

6) Share capital

The authorised share capital of the company is as follows :

	2008 £	2007 £
<i>Authorised:</i>		
<i>Equity</i>		
80,000 Class "B" Ordinary Shares @ £1 each	80,000	80,000
8,889 Class "A" Ordinary Shares @ £0.01 each	89	89
	80,089	80,089

The following shares were issued and fully paid up:

	2008 £	2007 £
<i>Allotted, called up and fully paid:</i>		
<i>Equity</i>		
80,000 Class "B" Ordinary Shares @ £1 each	80,000	80,000
8,889 Class "A" Ordinary Shares @ £0.01 each	89	89
	80,089	80,089

The Class "A" ordinary shares do not give the holders any entitlement to ordinary dividends.
The Class "A" ordinary shares give the holders an entitlement to vote at general meetings up to a maximum of 10 percent of the votes on any resolution voted upon at such meeting of the Company.

The Class "B" ordinary shares give the holders an entitlement to ordinary dividends.
The Class "B" ordinary shares give the holders an entitlement to vote at general meetings up to a maximum of 90 percent of the votes on any resolution voted upon at such meeting of the Company.

Notes to the Financial Statements (continued)

7) Share premium

	2008	2007
	£'000	£'000
Share Premium on 80,000 Class "B" Ordinary Shares at £999 per share	79,920	79,920
	<u>79,920</u>	<u>79,920</u>

8) Reserves

	2008	2007
	£'000	£'000
At 1 October	333	352
Profit for the year	727	703
Dividends paid - equity	(484)	(722)
At 30 September	<u>576</u>	<u>333</u>

9) Shareholders' equity

	2008	2007
	£'000	£'000
Profit for the year	727	703
Dividends paid - equity	(484)	(722)
Net increase in shareholder's equity	<u>243</u>	<u>(19)</u>
Opening shareholder's equity	80,333	80,352
Closing shareholder's equity	<u>80,576</u>	<u>80,333</u>

10) Cash & cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of inception:

	2008	2007
	£'000	£'000
Due from related entities (Note 11)	<u>41</u>	<u>15</u>

11) Related party transactions

The Company is a wholly owned controlled entity of Clydesdale Bank Limited. The ultimate parent is NAB.

	2008	2007
	£'000	£'000
<i>Non current assets</i>		
Loan to intermediate parent	276,000	276,000
Total due from related entities	<u>276,000</u>	<u>276,000</u>

This loan is due for repayment on 3 January 2012. The loan pays quarterly fixed interest at a rate of 5.42%

Notes to the Financial Statements (continued)

11) Related party transactions (continued)

	2008 £'000	2007 £'000
<i>Current assets</i>		
Amount due from intermediate parent	5,400	5,280
Accrued interest receivable from intermediate parent	3,661	3,663
Cash held at ultimate parent	41	15
	<u>9,102</u>	<u>8,958</u>
	2008 £'000	2007 £'000
Amounts due to related entities		
<i>Current liabilities</i>		
Preference dividend accrued to immediate parent	<u>2,422</u>	<u>2,449</u>
<i>Non current liabilities</i>		
Preference shares issued to immediate parent	<u>200,000</u>	<u>200,000</u>

The preference shares may be redeemed at any time, at the request of the Company (up to a maximum of £200,000,000 at any one time), at the nominal value including premium paid plus all arrears, deficiency or accruals of the preferential dividend, by giving notice in writing to the holders of the preference shares. The holders of the preference shares shall be entitled to receive notice of, but not attend or vote at any general meeting of the Company. The preference shares shall rank ahead of the holders of the Class A and Class B ordinary shares for the purposes of dividends and in the event of a winding up.

The preference shares are accruing at a rate of 4.97, they have a maturity date of 3 January 2012.

Transactions during the year with related parties

Interest receivable from parent undertaking	<u>15,100</u>	<u>15,093</u>
Dividends payable on preference shares to parent	<u>9,967</u>	<u>9,862</u>

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

Transaction with Directors, key management and their close family members

There were no amounts outstanding as at 30 September 2008 (2007: £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.

Directors' emoluments

The Directors are employed as executives of other NAB Group companies. The aggregate emoluments of the Directors of the Company as computed in accordance with Part I of Schedule 6 of the Companies Act 1985 were £Nil (2007: £Nil).

Notes to the Financial Statements (continued)

12) 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 capital 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 area 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.

The NAB Group Risk Management Committee, chaired by the Managing Director and Group Chief Executive, serves as the principal risk strategy and policy decision making body within the NAB Group, and provides the Board with assurance in the performance of the overall risk management framework. This committee is supported by five sub-committees - NAB Group Credit Risk Committee, NAB Group Market Risk Committee, NAB Group Operational Risk and Compliance Committee, NAB Group Asset and Liability Committee, and NAB Group Economic Capital Committee - each with a specialised focus.

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.

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 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 Operational Risk Framework ("ORF") is based on a set of core principles and defines the NAB Group's standards for operational risk management and compliance. Its design recognises the importance of embedding operational risk and compliance into 'business-as-usual' activities. It has particular focus on defining and implementing the right behaviours and incorporating risk considerations into the Group's systems and processes.

Notes to the Financial Statements (continued)

12) Risk Overview (continued)

The ORF is an essential element of the business strategy, which underpins all operational risk management activities. It includes:

- * An established governance structure that is used to ensure consistent application, management and reporting of the operational risk management process. This element also includes the establishment and communication of the Company's operational risk appetite
- * A structured risk management process to facilitate the identification, quantification and management of risks

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 knowledgeable, willing parties in an arm's length transaction.

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

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.

Given the majority of balances are with related entities the credit risk is deemed to be minimal.

The maximum exposure to credit risk for the components of the balance sheet are

Assets	2008	2007
	£'000	£'000
Cash assets	41	15
Due from related parties	285,061	284,943
Total credit risk exposure	285,102	284,958

The Company does not have any collateral or other credit enhancements supporting these assets. The credit quality of assets are 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)

12) Risk Overview (continued)

Cash flows maturity profile for liabilities as they fall due

£'000			
Liabilities	3 months or less	No specific maturity	Total
2008			
Current tax	-	2,104	2,104
Due to related parties	2,422	-	2,422
	<u>2,422</u>	<u>2,104</u>	<u>4,526</u>
2007			
Current tax	-	2,176	2,176
Due to related parties	2,449	-	2,449
	<u>2,449</u>	<u>2,176</u>	<u>4,625</u>

Interest rate risk

Part of the Company's exposure to interest rate risk is in relation to the mismatching of the dates on which interest receivable on assets and interest payable on liabilities are next reset.

The table below shows summarises these repricing mismatches as at 30 September 2008 and 30 September 2007.

Interest rate sensitivity analysis

2008	Weighted average effective interest rate %			No specific maturity	Non interest bearing	Total
£'000		Call	3 months or less			
Assets						
Cash assets	-	-	-	-	41	41
Due from related parties	5.5%	-	285,061	-	-	285,061
		-	<u>285,061</u>	-	<u>41</u>	<u>285,102</u>
Liabilities						
Current tax	-	-	-	-	2,104	2,104
Due to related parties	5.0%	-	-	202,422	-	202,422
Shareholders equity	-	-	-	-	80,576	80,576
		-	-	<u>202,422</u>	<u>82,680</u>	<u>285,102</u>
Cumulative gap		-	<u>285,061</u>	<u>(202,422)</u>	<u>(82,639)</u>	<u>-</u>

Interest rate sensitivity analysis

2007	Weighted average effective interest rate %			No specific maturity	Non interest bearing	Total
£'000		Call	3 months or less			
Assets						
Cash assets	-	-	-	-	15	15
Due from related parties	5.5%	-	284,943	-	-	284,943
		-	<u>284,943</u>	-	<u>15</u>	<u>284,958</u>
Liabilities						
Current tax	-	-	-	-	2,176	2,176
Due to related parties	4.9%	-	-	202,449	-	202,449
Shareholders equity	-	-	-	-	80,333	80,333
		-	-	<u>202,449</u>	<u>82,509</u>	<u>284,958</u>
Cumulative gap		-	<u>284,943</u>	<u>(202,449)</u>	<u>(82,494)</u>	<u>-</u>