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Company Registration No: FC0025301

GREYLOCK INVESTMENTS LLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2007 to 29 October 2007

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GREYLOCK INVESTMENTS LLC

CONTENTS	Page
Officers and Professional Advisers	1
Directors' Report	2 -3
Independent Auditors' Report	4 - 5
Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Financial Statements	10 - 20

GREYLOCK INVESTMENTS LLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A J Hicks
C B Higgins
S T Pattinson
V A Pereira

Registered office

Greylock Investments LLC
The Corporation Trust company
1209 Orange Street
Wilmington
New Castle County
Delaware 19801
U S A

Auditors

Deloitte & Touche LLP
London

GREYLOCK INVESTMENTS LLC

DIRECTORS' REPORT

The directors present their report and the audited non-statutory financial statements for the period from 1 January 2007 to 29 October 2007. Whilst there is no legal requirement to prepare audited financial statements, audited financial statements have been prepared in order to enable the members of Greylock Investments LLC to assess the stewardship of the Company for the period from 1 January 2007 to 29 October 2007.

PRINCIPAL ACTIVITY

The Company's principal activity is investment business.

REVIEW OF THE BUSINESS

The directors were satisfied with the results of the Company for the period and do not foresee any significant changes in the nature of the activities of the Company.

RESULTS AND DIVIDENDS

The profit after tax for the period from 1 January 2007 to 29 October 2007 was \$5,941,005 (year ended 31 December 2006 \$6,799,517). The directors declared and paid ordinary dividends totalling US\$5,364,987 in the period (year ended 31 December 2006 US\$6,375,248).

Under International Financial Reporting Standards ("IFRS"), the B and C Shares in issue are accounted for as financial liabilities and the finance costs of these instruments accounted for as an expense in the income statement and thus taken into account in arriving at profit before taxation. The financing costs of the B and C Shares for the period from 1 January 2007 to 29 October 2007 were \$376,021 and \$38,553,939 respectively (year ended 31 December 2006 \$430,358 and \$48,634,714 respectively).

DIRECTORS

The present directors, who have served throughout the period except where noted below, are listed on page 1.

From 1 January 2007 to date the following changes have taken place:

	Appointed	Resigned
Directors		
R G Baker (Alternate director)	31 July 2007	29 October 2007
J P J Fairrie	-	27 July 2007
M H Filer	31 July 2007	29 October 2007
M H Filer (Alternate director)	-	27 July 2007
A G S Horridge (Alternate director)	1 August 2007	31 August 2007
S T Pattinson	23 January 2007	-
A R Rodriguez (Alternate director)	1 August 2007	31 August 2007
S M Thomson (Alternate director)	1 August 2007	31 August 2007

GREYLOCK INVESTMENTS LLC

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES

In preparing the financial statements, the directors have accepted responsibility to

- prepare the financial statements that present fairly the financial position, financial performance and cash flows of the Company in accordance with IFRS as adopted for use by the European Union,
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors have accepted responsibility for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



V A Pereira, Director

29 February, 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREYLOCK INVESTMENTS LLC

We have audited the non-statutory financial statements of Greylock Investments LLC for the period from 1 January 2007 to 29 October 2007, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related Notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with our letter of engagement dated 21 December 2007, and solely to enable the members to assess the stewardship of the Company. 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 auditors' 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 auditors

As described in the directors' report, the Company's directors have accepted responsibility for the preparation of the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the Company, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREYLOCK INVESTMENTS LLC (Continued)**

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the Company's affairs as at 29 October 2007 and of its profit for the period from 1 January 2007 to 29 October 2007

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants
London, United Kingdom
 February, 2008

GREYLOCK INVESTMENTS LLC

INCOME STATEMENT

FOR THE PERIOD FROM 1 JANUARY 2007 TO 29 OCTOBER 2007

	Note	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Revenue	3	62,876,098	73,009,471
Other operating income	3	1,587,568	7,208,637
Finance costs		(38,929,960)	(49,065,072)
Administrative expenses		(344,118)	(362,411)
Profit before taxation		25,189,588	30,790,625
Tax expense	4	(19,248,583)	(23,991,108)
Profit for the period/year		5,941,005	6,799,517

The results above arose wholly from continuing operations

The notes on pages 10 to 20 form an integral part of the financial statements

GREYLOCK INVESTMENTS LLC

BALANCE SHEET

AS AT 29 OCTOBER 2007

	Note	As at 29/10/07 US\$	As at 31/12/06 US\$
Non-current assets			
Loans to group undertakings	14	467,623,037	472,135,127
Derivative financial instruments	11	78,671,271	70,893,869
Current assets			
Loans to group undertakings	14	900,121,766	908,646,000
Investments	6	49,762,947	48,765,667
Derivative financial instruments	11	-	454,755
Cash and cash equivalents	7	2,999,913	144,812
Total assets		1,499,178,934	1,501,040,230
Current liabilities			
Loans from group undertakings	14	-	(755,485)
Derivative financial instruments	11	(404,145)	-
Other payables		(64,686)	(45,013)
Corporation tax		(224,919)	(1,948,053)
Non-current liabilities			
Loan capital	8, 9	(1,000,139,361)	(1,008,135,878)
Deferred tax	5	(23,593,150)	(21,308,949)
Total liabilities		(1,024,426,261)	(1,032,193,378)
Net assets		474,752,673	468,846,852
Equity			
Share capital	8	417,552,175	417,552,175
Share premium	9	-	-
Hedge reserve		55,050,683	49,720,880
Retained earnings		2,149,815	1,573,797
Total equity		474,752,673	468,846,852

The notes on pages 10 to 20 form an integral part of the financial statements. The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2008.

Signed on its behalf by



V A Pereira, Director

GREYLOCK INVESTMENTS LLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 1 JANUARY 2007 TO 29 OCTOBER 2007

	Share capital US\$	Hedge reserve US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2006	417,552,175	103,863,792	1,149,528	522,565,495
Loss on cash flow hedge	-	(77,347,016)	-	(77,347,016)
Deferred tax	-	23,204,104	-	23,204,104
Net loss recognised directly in equity	-	(54,142,912)	-	(54,142,912)
Profit for the year	-	-	6,799,517	6,799,517
Ordinary Share dividends	-	-	(6,375,248)	(6,375,248)
Total recognised income and expenses	-	(54,142,912)	424,269	(53,718,643)
Balance at 1 January 2007	417,552,175	49,720,880	1,573,797	468,846,852
Gain on cash flow hedge	-	7,614,004	-	7,614,004
Deferred tax	-	(2,284,201)	-	(2,284,201)
Net gain recognised directly in equity	-	5,329,803	-	5,329,803
Profit for the period	-	-	5,941,005	5,941,005
Ordinary Share dividends	-	-	(5,364,987)	(5,364,987)
Total recognised income and expenses	-	5,329,803	576,018	5,905,821
Balance at 29 October 2007	417,552,175	55,050,683	2,149,815	474,752,673

GREYLOCK INVESTMENTS LLC

CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 JANUARY 2007 TO 29 OCTOBER 2007

	Notes	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Net cash flow from operating activities	10	8,220,088	6,353,196
Financing activities			
Redemption of B and C Shares		1,089,083,131	-
Issue of B and C Shares		(1,089,083,131)	-
Ordinary dividends paid		(5,364,987)	(6,375,248)
Net cash flow from financing activities		(5,364,987)	(6,375,248)
Net cash flow for the period		2,855,101	(22,052)
Cash and cash equivalents at beginning of period		144,812	166,864
Cash and cash equivalents at end of period	7	2,999,913	144,812

The notes on pages 10 to 20 form an integral part of the financial statements

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2007 TO 29 OCTOBER 2007

1. Accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and liabilities. There is no material difference between the fair value and the carrying value of assets and liabilities accounted for at amortised cost, with the exception of those disclosed in Note 8 and 14

b) Financial assets

Loans and receivables

Loans and receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method

Investments

Investments, which comprise marketable securities, are accounted for at fair value in the balance sheet with movements in fair value recognised in the income statement

c) Financial liabilities and finance costs

Loan capital

Under IAS 32, the B and C Shares are classified as financial liabilities (see narrative in Note 8) and included as 'Loan capital' in the balance sheet. These liabilities are accounted for at amortised cost using the effective interest rate method

Loans

Loans are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method

d) Derivative financial instruments

The Company uses derivative financial instruments to manage interest rate risk. Generally, such contracts are initially recognised and subsequently measured at fair value, with movements in their value recognised in the income statement

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of cash flows are recognised directly in equity and any ineffective portion recognised immediately in the income statement

e) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is recognised when received and cash equivalents are recognised when the investments are made

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (Continued)

f) Taxation

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity, taking into account relief for overseas taxation where appropriate

Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered

g) Foreign currency translation

The functional currency of the Company is US dollars. All monetary assets and liabilities denominated in currencies other than US dollars are translated into US dollars at the rates ruling at the balance sheet date. Transactions in currencies other than US dollars are recorded at the rates ruling at the dates of the transactions and all other translation differences are taken through the income statement.

2. Directors and employees

None of the directors received any emoluments from the Company for their services to the Company in the period from 1 January 2007 to 29 October 2007 or the prior year.

None of the directors had any interest in any contract of significance in relation to the business of the Company in the period from 1 January 2007 to 29 October 2007 or the prior year.

The Company did not have any employees in the period from 1 January 2007 to 29 October 2007 or the prior year.

3 Revenue

	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Interest income	60,746,689	70,626,146
Income from investments in debt securities and hedges	2,129,409	2,383,325
	62,876,098	73,009,471
Other operating income		
Interest rate swaps	1,587,568	7,208,637
	64,463,666	80,218,108

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Taxation

	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Tax expense		
UK Corporation tax	19,248,583	23,991,108

The tax expense for the period can be reconciled to the profit in the income statement as follows

	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Profit before taxation	25,189,588	30,790,625
Tax charge at 30% thereon	7,556,876	9,237,188
Non-deductible expenses		
Financing cost of B and C Shares	11,678,988	14,719,522
Exchange differences	12,719	34,398
Corporation tax charge	19,248,583	23,991,108

The Company is resident in the United Kingdom for tax purposes. The Company's corporation tax liability is determined in sterling using an average exchange rate for the period and the standard corporation tax rate in the United Kingdom of 30%. The tax charge in the income statement is derived by taking this sterling amount and recording it in US dollars using the average exchange rate for the period. The difference between this dollar amount and the actual US dollar amount paid on settlement of the liability is recorded as an exchange gain/loss in arriving at profit before tax. This difference is not chargeable/deductible for tax purposes.

Differences between the exchange rate used for tax computation purposes (i.e. the average rate for the period) and the exchange rates prevailing at tax instalment payment dates during the period and non-deductible financing costs of the B and C Shares cause the Company's effective rate of tax (76%) to vary from the standard rate of corporation tax in the UK (30%).

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Deferred tax

	<u>US\$</u>
Deferred tax on Derivatives	
Balance at 1 January 2006	44,513,053
Charge to Equity (Hedge reserve)	(23,204,104)
Balance at 1 January 2007	21,308,949
Charge to Equity (Hedge reserve)	2,284,201
Balance at 29 October 2007	<u>23,593,150</u>

6. Investments

	As at 29/10/07 US\$	As at 31/12/06 US\$
Current asset investments		
Debt securities	<u>49,762,947</u>	<u>48,765,667</u>

7. Cash and cash equivalents

	As at 29/10/07 US\$	As at 31/12/06 US\$
Short-term loans to group undertakings	2,996,265	141,065
Cash at bank	3,648	3,747
	<u>2,999,913</u>	<u>144,812</u>

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Share capital	Number of shares	As at 29/10/07 US\$	As at 31/12/06 US\$
Authorised			
B Shares of \$0 001 each	1,000,000	1,000	1,000
C Shares of \$0 001 each	990,000	990	990
		<u>1,990</u>	<u>1,990</u>

The Company may, under certain circumstances issue further Ordinary Shares of \$1 each subject to approval by the board

	Number of shares	As at 29/10/07 US\$	As at 31/12/06 US\$
Allotted, called up and fully paid			
Ordinary Shares of \$1 each	417,552,175	417,552,175	417,552,175
B Shares of \$0 001 each	10,000	10	10
C Shares of \$0 001 each	990,000	990	990
		<u>417,553,175</u>	<u>417,553,175</u>
 Shares classified as non-current liabilities			
B Shares of \$0 001 each		(10)	(10)
C Shares of \$0 001 each		(990)	(990)
 Share capital classified as equity		<u>417,552,175</u>	<u>417,552,175</u>

B and C Shares

The B and C Shares ('B Shares' and 'C Shares') initially provided for a floating cumulative dividend linked to the interbank US dollar interest rate. Whilst the B Shares continue to carry similar dividends, on 27 July 2004 the dividend rate on the C Shares changed to an 'inverse floating' dividend based on twice the then applicable 30 year US dollar swap rate, less the 3 month US dollar LIBOR rate. Simultaneously, the redemption price of the C Shares was changed to include a 'Breakage' component based on breakage that would have arisen on a notional interest rate swap of twice the subscription amount of the C Shares.

The B and C Shares are redeemable at any time at the option of the Company on the giving of notice to the holders of the B and C Shares. The B and C shareholders have a right to require redemption of the B and C Shares in certain limited circumstances. The holder of the C Shares is entitled at any time to convert the C Shares into fully paid B Shares, if the holder of the C Shares is also the holder of the B Shares on the conversion date. In the event of a liquidation, dissolution, or winding up of the Company, the holders of the B and C Shares shall rank *par-passu inter-se* and are entitled to be paid out of the assets of the Company available for distribution before any payment is made to the Ordinary shareholders.

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8 Share capital (Continued)

The redemption amount for the C Shares should approximate to the initial subscription amount plus a 'breakage' amount (being the breakage on a notional interest rate swap with a principal of twice the initial subscription amount). If the C Shares had been redeemed on the balance sheet date, the redemption amount would have been approximately \$1.08bn.

The redemption price of the B Shares as at the balance sheet date should approximate to the original subscription amount of \$10m.

The B and C Shares carry 10% of the votes, except following the occurrence of certain specified events when they may acquire 66²/₃% of the votes. The holder of the C Shares has the right to appoint one director for the Company. In accordance with IFRS, due to their terms, the B and C Shares have been classified as liabilities.

On 15 October 2007, the Company received notice from the holder of the C Shares that it intended to convert all C Shares into fully paid B Shares. The Company trumped this notice by exercising its right to deliver an optional redemption notice to redeem the issued B and C Shares on 29 October 2007.

The redemption amount for the B Shares approximated to the initial subscription amount. The redemption amount of the C Shares was for a value of \$1,079,083,131. The redemption was funded by raising intra-day funding.

On the same date further B and C Shares were issued contemporaneously with the redemption of the original B and C Shares. The redemption of the original Shares and issue of further Shares is not considered to be an extinguishment of a liability and therefore the loss on the redemption of \$89m is deferred into the carrying value of the further shares issued.

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Share premium account

The share premium arose on the issue of shares as follows

	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
B Shares of \$0 001 each at beginning of period	9,999,990	9,999,990
C Shares of \$0 001 each at beginning of period	989,999,010	989,999,010
	999,999,000	999,999,000
Redemption of shares		
B Shares of \$0 001 each on 29 October 2007	(9,999,990)	-
C Shares of \$0 001 each on 29 October 2007	(989,999,010)	-
Issue of shares		
B Shares of \$0 001 each on 29 October 2007	9,999,990	-
C Shares of \$0 001 each on 29 October 2007	1,079,082,140	-
	1,089,082,130	999,999,000
Share premium classified as non-current liabilities		
B Shares of \$0 001 each at end of period	(9,999,990)	(9,999,990)
C Shares of \$0 001 each at end of period	(1,079,082,140)	(989,999,010)
Share premium classified as equity	-	-

International Accounting Standard No 32 (IAS32) requires, due to their terms, the B and C Shares to be shown as debt. The par value and share premium in respect of the B and C Shares is therefore shown in the balance sheet under 'Loan capital'

10. Reconciliation of profit to operating cash flows

	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Profit before taxation	25,189,588	30,790,625
Decrease in operating assets (adjusted for movement in fair value of derivative recognised directly in equity)	12,330,401	1,715,768
Decrease in operating liabilities	(8,328,184)	(1,815,730)
Tax paid	(21,014,114)	(24,452,126)
Exchange loss	42,397	114,659
Net cash flow from operating activities	8,220,088	6,353,196

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Derivative financial instruments

The Company is party to an interest rate swap transaction to hedge its exposure to variability in cashflows arising from obligations in respect of its C Share liability and floating rate loans to various group companies. The contract has a notional principal of \$1.98bn and entitles the Company to receive fixed cashflows (based on a rate of 5.5095%) in exchange for the payment of variable cashflows based on 3 month US dollar LIBOR. The swap matures in July 2034 and its fair value at the balance sheet date amounted to \$78.7m (2006: \$70.9m).

The Company is also party to interest rate swap transactions to hedge the movements in fair values of its investments in debt securities. The average aggregate nominal value of these contracts during the period was \$49.2m (year ended 31 December 2006: \$48.5). Under the contracts, the Company paid fixed cashflows (at an average fixed rate of 3.68% (year ended 31 December 2006: 4.55%)) in exchange for the receipt of variable cashflows based on 3 month US dollar LIBOR. The contracts had an average residual maturity of 1 year as at the balance sheet date.

12. Immediate and ultimate parent company

The Company's immediate parent company is NatWest (Devonshire) Investments Limited.

The Company's ultimate holding company, ultimate controlling party, and the parent of the largest group into which the company is consolidated is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland. Financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ.

The smallest subgroup into which the Company is consolidated has as its parent company National Westminster Bank Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ.

13. Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk of loss as a result of adverse changes in interest rates together with related parameters such as market volatilities.

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Financial risk management (continued)

Market risk (continued)

The Company is exposed to market risk as a result of the assets and liabilities contained within the Company's balance sheet. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

The main component of market risk that the Company faces is interest rate risk. The Company manages interest rate risk by monitoring consistency in the interest rate profile of its assets and liabilities.

Market risk – sensitivity analysis

The sensitivity analysis below has been determined based on the Company's assets and liabilities present in the balance sheet as at the balance sheet date and by reference to a movement in market interest rates reasonably possible in the Company's next financial reporting period.

If interest rates for the current period had been 50 basis points lower and this movement applied to the assets and liabilities as at the balance sheet date, the pre-tax profit for the period from 1 January 2007 to 29 October 2007 would have been \$584,370 higher (year ended 31 December 2006: \$727,272 higher). This would have mainly resulted from lower interest income on variable rate assets offset in part by lower financing costs in respect of its issued Preference Shares.

The vice versa is equally true for the current period if interest rates had been 50 basis points higher.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations.

The Company's exposure to credit risk is not considered to be significant as the credit exposures are with related parties (note 14) or institutions with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

Liquidity risk is mitigated by the routine monitoring of key management information and the use of interest rate swaps (note 11).

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Financial risk management (continued)

Liquidity Risk (Continued)

The table below details the expected maturity of the Company's material liabilities as at the balance sheet date. The table has been drawn up based on the undiscounted net cash outflows.

	Less than 1 month and on demand \$000s	1-3 months \$000s	3 months to 1 year \$000s	1-5 years \$000s	5+ years \$000s
B Shares	-	105	319	1,701	19,245
C Shares	-	11,931	36,852	196,583	2,058,921
Deferred tax	-	-	-	-	23,593
Total	-	12,036	37,171	198,284	2,101,759

The estimated cash outflows are based on expected maturities and interest rates at the balance sheet date.

14. Related party transactions

During the period, the Company was party to various transactions with certain companies within the RBS Group, namely National Westminster Bank Plc and The Royal Bank of Scotland plc. These transactions were entered into on an arm's length basis. The income statement impact for the period and outstanding balances arising from these transactions as at 29 October 2007 are set out below.

<u>National Westminster Bank Plc</u>	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Income statement impact		
- Interest income	38,792,987	45,547,270
- Interest rate swaps	1,453,213	7,354,735
	<u>40,246,200</u>	<u>52,902,005</u>

GREYLOCK INVESTMENTS LLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Related party transactions (continued)

National Westminster Bank Plc (Continued)

	As at 29/10/07 US\$	As at 31/12/06 US\$
Amounts owed to the Company		
- Secured loan	450,060,883	454,323,000
- Unsecured loans	420,492,328	421,758,064
- Derivative contracts	78,267,126	71,348,624
	<u>948,820,337</u>	<u>947,429,688</u>
Amounts owed by the Company		
- Unsecured loans	-	755,485

The unsecured amounts owed to the Company included a fixed rate loan of \$418m, with a rate of 5.5095% and a maturity date in July 2034. The fair value of this loan was \$440m as at the balance sheet date.

The Royal Bank of Scotland plc

	Period from 01/01/07 to 29/10/07 US\$	Year ended 31/12/06 US\$
Income statement impact		
- Interest income	21,953,673	25,078,876
	As at 29/10/07 US\$	As at 31/12/06 US\$
Amounts owed to the Company		
- Secured loan	450,060,883	454,323,000
- Unsecured loans	50,126,974	50,518,128
	<u>500,187,857</u>	<u>504,841,128</u>

The unsecured amounts owed to the Company consisted of a \$50m 3 month LIBOR loan with a maturity date of July 2034.