

600984 / 40 FC27903  
**OS AA01**

Statement of details of parent law and other  
information for an overseas company



Companies House

☒ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law

☐ **What this form is NOT**  
You cannot use this form  
an alteration of manner o  
with accounting requirem

TUESDAY



A12 \*A2J15Q4G\* 22/10/2013 #145  
COMPANIES HOUSE

**Part 1 Corporate company name**

Corporate name of  
overseas company ①

Dolomite Investments B V

UK establishment  
number

B R 0 0 9 6 3 8

→ **Filling in this form**

Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

**Part 2 Statement of details of parent law and other  
information for an overseas company**

**A1 Legislation**

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited

Legislation ②

Part 9 of Book 2 of Dutch Civil Code

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

**A2 Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box

☐ **No** Go to Section A3

☒ **Yes** Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3

Name of organisation  
or body ③

IFRS issued by International Accounting Standards Board

③ Please insert the name of the  
appropriate accounting organisation  
or body

**A3 Accounts**

Accounts

Have the accounts been audited? Please tick the appropriate box

☐ **No** Go to Section A5

☒ **Yes** Go to Section A4

OS AA01

Statement of details of parent law and other information for an overseas company

**A4**

**Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

☐ No Go to Part 3 'Signature'

☒ Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

Please insert the name of the appropriate accounting organisation or body

Name of organisation or body

IN ACCORDANCE WITH DUTCH LAW, INCLUDING  
Netherlands Institute of Registered Accountants (NIVRA)  
THE DUTCH STANDARDS ON AUDITING.

**A5**

**Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

☐ No

☒ Yes

**Part 3**

**Signature**

I am signing this form on behalf of the overseas company

Signature

Signature

X



X

This form may be signed by  
Director, Secretary, Permanent representative

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Yvonne Wood

Company name RBS Secretariat

Address PO Box 1000

Post town Edinburgh

County/Region

Postcode E H 1 2 1 H Q

Country

DX

Telephone 0131 626 3851



## Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



## Important information

Please note that all this information will appear on the public record



## Where to send

You may return this form to any Companies House address

### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

### Scotland

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



## Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

Company Registered No: FC027903

000984/40

**DOLOMITE INVESTMENTS B.V.**

**ANNUAL REPORT**

**For the year ended 31 December 2012**

Dolomite Investments B V  
C/o The Royal Bank of Scotland  
135 Bishopsgate  
London  
EC2M 3UR



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11/10/2013  
COMPANIES HOUSE

#276

**ANNUAL REPORT 2012**

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**DOLOMITE INVESTMENTS B.V.**

**FC027903**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

I R Luke  
A R Rodriguez  
A E Tobin

**REGISTERED OFFICE:**

Dolomite Investments B V  
C/o The Royal Bank of Scotland  
135 Bishopsgate  
London  
EC2M 3UR

**AUDITOR:**

Deloitte Accountants B V  
Orlyplein 10  
1043 DP Amsterdam  
The Netherlands

**DIRECTORS' REPORT**

The directors of Dolomite Investments B.V. ("the Company") present their report and the audited statutory financial statements for the year ended 31 December 2012. Audited financial statements have been prepared in order to enable the members of the Company to assess the stewardship of the Company for the year ended 31 December 2012.

**ACTIVITIES AND BUSINESS REVIEW****Activity**

The principal activity of the Company continues to be investment business. The directors do not anticipate any material change in the type or level of activities of the Company.

The Company is a subsidiary of The Royal Bank of Scotland Group plc ("the Group") which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of the Group review these matters on a group basis. Copies can be obtained from RBS Secretariat, RBS Gogarburn, Edinburgh, EH12 1HQ, The Registrar of Companies or through the Group's website at [www.rbs.com](http://www.rbs.com).

**Business review**

The directors are satisfied with the Company's performance in the year.

**Financial performance**

The Company's financial performance is presented in the Statement of Comprehensive Income on page 4. The operating loss before tax is £8,087 (2011: £901). The retained loss for the year was £8,087 (2011: £901).

At the end of the year total assets were £340,995 (2011: £341,082).

Under International Financial Reporting Standard No 32 (IAS 32), due to their terms, the Class A Preference Shares are accounted for as a compound financial instrument, being those which have the features of both debt and equity. The principal components, equal to the share capital and share premium in respect of these shares, are therefore shown in the Balance Sheet as liabilities under 'Loan capital' and any dividends paid on these shares shown in result for the year.

**Dividends**

The directors do not recommend the payment of a dividend (2011: £nil).

**Principal risks and uncertainties**

The Company's financial risk management objectives and policies regarding the use of financial instruments are set out in note 6 to these financial statements.

**Going concern**

The directors, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on the going concern basis.

**Directors**

The present directors and secretary, who have served throughout the year, are listed on page 1.

**DIRECTORS' REPORT (continued)**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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

- prepare financial statements that present fairly the financial position, financial performance and cash flows of the Company in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code,
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable accounting standards have been followed

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. 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.

Dolomite Investments B V has taken notice of recently adopted legislation effective as of 1 January 2013 as a consequence of which a "large" company, when nominating or appointing members of the Management Board or Supervisory Board, should take into account as much as possible a balanced composition of these Boards in terms of gender, to the effect that at least 30 percent of the positions are held by women and at least 30 percent by men

The current composition of the Management Board and the Supervisory Board deviates from the above-mentioned percentages. With regards to future appointments, the Management Board and the Supervisory Board will take gender diversity objectives into account as much as possible

**EMPLOYEES**

The company had no employees in 2012 and 2011 and does not expect to change this in the near future

**RESEARCH AND DEVELOPMENT**


Due to the fact that the Company was incorporated with the objective of holding investments it did not engage in any research and development activities during 2012 and 2011 and is not expected to do so in the future

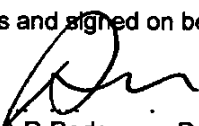
**OUTLOOK FOR 2013**

The Company expects to continue its activities as a holding and financing business. The directors are investigating further investment opportunities that the Company may undertake

The Company has no employees and is not involved in research and development activities. No significant investments are anticipated in 2013

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

  
I R Luke, Director

  
A R Rodriguez, Director

  
A E Tobin, Director

Subsequent to the approval of these financial statements by the Board of Directors of the Company on 15 July 2013, these financial statements have been approved at a general meeting of shareholders dated 17 July 2013



**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2012**

		2012	2011
	Notes	£	£
<b>Continuing operations</b>			
Foreign exchange loss		(87)	(405)
Operating expenses	2	(8,000)	(496)
<b>Operating loss before tax</b>		<b>(8,087)</b>	<b>(901)</b>
Taxation	3	-	-
<b>Loss for the year</b>		<b>(8,087)</b>	<b>(901)</b>
Other comprehensive income		-	1
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>1</b>
<b>Total comprehensive loss for the year</b>		<b>(8,087)</b>	<b>(900)</b>

The accompanying notes form an integral part of these financial statements

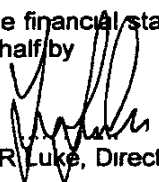
**BALANCE SHEET**

As at 31 December 2012 (after proposed appropriation of result)

	Notes	2012 £	2011 £
<b>Assets</b>			
<b>Current assets</b>			
Loans to Group undertaking	4	337,653	337,653
Cash at bank	4	3,342	3,429
<b>Total assets</b>		<b>340,995</b>	<b>341,082</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accruals, deferred income and other liabilities	5	40,000	32,000
<b>Non-current liabilities</b>			
Loan capital	7	33	33
<b>Total liabilities</b>		<b>40,033</b>	<b>32,033</b>
<b>Equity</b>			
Share capital	7	14,707	15,090
Retained earnings		286,255	293,959
<b>Total equity</b>		<b>300,962</b>	<b>309,049</b>
<b>Total liabilities and equity</b>		<b>340,995</b>	<b>341,082</b>

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 15 July 2013 and signed on its behalf by

  
 I R Luke, Director

  
 A R Rodriguez, Director

  
 A E Tobin, Director

Subsequent to the approval of these financial statements by the Board of Directors of the Company on 15 July 2013, these financial statements have been approved at a general meeting of shareholders dated 17 July 2013

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2012**

	Share capital £	Retained earnings £	Total £
<b>At 1 January 2011</b>	15,555	294,396	309,951
Loss for the year	-	(901)	(901)
Retranslation of Class A Preference shares	-	(1)	(1)
Retranslation of Ordinary shares	(464)	464	-
Retranslation of Class B Preference shares	(1)	1	-
<b>At 31 December 2011</b>	<b>15,090</b>	<b>293,959</b>	<b>309,049</b>
Loss for the year	-	(8,087)	(8,087)
Retranslation of Ordinary shares	(383)	383	-
<b>At 31 December 2012</b>	<b>14,707</b>	<b>286,255</b>	<b>300,962</b>

The accompanying notes form an integral part of these financial statements

**DOLOMITE INVESTMENTS B.V.****FC027903****CASH FLOW STATEMENT****For the year ended 31 December 2012**

	Note	2012 £	2011 £
<b>Operating activities</b>			
Operating loss for the year before tax		(8,087)	(901)
<b>Operating cash used in before movements in working capital</b>		(8,087)	(901)
Increase/(decrease) in accruals and deferred income		8,000	(25,200)
<b>Net cash used in operating activities before tax</b>		(87)	(26,101)
Tax received		-	-
<b>Net cash used in operating activities</b>		(87)	(26,101)
Net decrease in cash and cash equivalents		(87)	(26,101)
Cash and cash equivalents at 1 January		341,082	367,185
<b>Cash and cash equivalents before adjusting foreign exchange difference</b>		340,995	341,084
Exchange difference		-	(2)
<b>Cash and cash equivalents at 31 December</b>	4	<b>340,995</b>	<b>341,082</b>

The accompanying notes form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS****1. Accounting policies****a) Presentation of financial statements**

The financial statements are prepared on the going concern basis and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union (EU) (together IFRS) and with Part 9 of Book 2 of the Dutch Civil Code

The financial statements are prepared on the historical cost basis. The accounting policies have been consistently applied in both the current and prior years.

**Adoption of new and revised standards**

There are a number of changes to IFRS that were effective from 1 January 2012. They have had no material effect on the Company's financial statements for the year ended 31 December 2012.

**b) Foreign currencies**

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

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

All items denominated in currencies other than sterling, with the exception of Share capital, are translated into sterling at the rate ruling at the transaction date and translation differences taken through comprehensive income. In accordance to the Dutch Civil Code, Share capital is re-translated at the rates ruling at the balance sheet date and translation differences taken through retained earnings as a non-distributable reserve.

**c) Revenue recognition**

Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities other than those at fair value through profit or loss are determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable, that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

**d) Taxation**

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

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

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or a liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****1. Accounting policies (continued)****e) Cash and cash equivalents**

In the Cash Flow Statement, cash and cash equivalents comprises cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value

**f) Accounting developments****New standards and interpretations adopted during the year**

There were no standards or interpretations relevant to the Company's operations adopted during the year

**New standards and interpretations not yet adopted**

As at the date of authorisation of these financial statements, the following standards and amendments to standards relevant to the Company's operations were issued by the IASB but not yet mandatory. Except where otherwise stated, the Company does not expect that the adoption of the following standards and amendments to standards will have a material impact on the Company's financial statements

An amendment to IAS 1 'Presentation of financial statements' ('IAS 1') was issued by the IASB in June 2011 for application in annual periods beginning on or after 1 July 2012. The revised standard was endorsed by the EU in June 2012.

An amendment to IAS 32 'Financial instruments: Presentation – offsetting financial instruments' was issued by the IASB in December 2011, for retrospective application in annual periods beginning on or after 1 January 2014. The amendment was endorsed by the EU in December 2012.

An amendment to IFRS 7 'Financial instruments: Disclosures – offsetting financial assets and financial liabilities' was issued by the IASB in December 2011 for retrospective application in annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment was endorsed by the EU in December 2012.

IFRS 9 'Financial instruments' was issued by the IASB in November 2009 for retrospective application in annual periods beginning on or after 1 January 2015. Although there are expected to be significant changes to the presentation of financial instruments by the Company, there is not expected to be a significant impact on net assets.

IFRS 13 'Fair value measurement' was issued by the IASB in May 2011 for prospective application in annual periods beginning on or after 1 January 2013 and was endorsed by the EU in December 2012.

As part of the May 2012 Improvements to IFRSs, the IASB made amendments to the following standards that are relevant to the Company's operations: IAS 1, IAS 32 'Financial instruments: Presentation' and IAS 34 'Interim financial reporting' (for application in accounting periods beginning on or after 1 January 2013).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. Operating expenses

	2012 £	2011 £
Administrative expenses	8,000	496

None of the directors received any emoluments from the Company for their services to the Company in the year ended 31 December 2012 (2011 £nil)

None of the directors had any material interest in any contract of significance in relation to the business of the Company in the year ended 31 December 2012 (2011 £nil)

The Company did not have any employees in the year ended 31 December 2012 (2011 none)

During the year, Deloitte Accountants B V charged fees of £6,929 (2011 £7,000) in respect of external audit services carried out in the Netherlands. Remuneration payable to other Deloitte member firms for the year totalled £8,000 (2011 £9,763)

## 3. Taxation

	2012 £	2011 £
<b>Current taxation:</b>		
UK corporation tax credit for the year	-	-
Provision in respect of prior periods	-	-
Tax credit for the year	-	-

The Company is resident in the United Kingdom for tax purposes. The Company's corporation tax liability is determined in sterling using the blended corporation tax rate in the United Kingdom of 24.5% for the period ended 31 December 2012 (2011 blended tax rate 26.5%)

The actual tax credit differs from the expected tax credit computed by applying the blended rate of UK corporation tax of 24.5% (2011 blended tax rate 26.5%) as follows

	2012 £	2011 £
<b>Operating loss before tax:</b>	(8,087)	(901)
Expected tax credit	(1,981)	(239)
Transfer pricing adjustment	(4,225)	(2,702)
Group relief surrendered for £nil consideration	6,206	2,941
Actual tax credit for the year	-	-

In the wider interests of the Group, the Company has agreed to surrender any tax losses to other Group companies and as part of this agreement may claim tax losses from other Group companies for nil consideration

## 4. Cash and cash equivalents

	2012 £	2011 £
<b>Per the cash flow statement</b>		
Short-term loans to Group undertaking	337,653	337,653
Cash at bank - Group	3,342	3,429
	340,995	341,082

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 5. Accruals, deferred income and other liabilities

	2012 £	2011 £
Auditor's fees	15,000	7,000
Admin fees	25,000	25,000
	<b>40,000</b>	<b>32,000</b>

## 6. Risk management

The principal risks associated with the Company are as follows

**Market risk**

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

None of the Company's assets present in the balance sheet as at 31 December 2012 are subject to market risk (2011 £nil)

**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

**Credit risk**

The objective of credit risk management is to enable the Company to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved appetite for the risk that customers will be unable to meet their obligations to the Company

The key principles of the Group's Credit Risk Management Framework are set out below

- Approval of all credit exposure is granted prior to any advance or extension of credit,
- An appropriate credit risk assessment of the customer and credit facilities is undertaken prior to approval of credit exposure. This includes a review of, amongst other things, the purpose of credit and sources of repayment, compliance with affordability tests, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return,
- Credit risk authority is delegated by the Board and specifically granted in writing to all individuals involved in the granting of credit approval. In exercising credit authority, the individuals act independently of any related business revenue origination, and
- All credit exposures, once approved, are effectively monitored and managed and reviewed periodically against approved limits. Lower quality exposures are subject to a greater frequency of analysis and assessment

The Company's exposure to credit risk is not considered to be significant as the credit exposures are to related parties (Note 8). As at 31 December 2012 there were no outstanding or impaired loans due to the Company (2011 £nil)



## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. Share capital

Authorised	2012 €	2011 €		
1,800,000 ordinary shares of €0.01 each	18,000	18,000		
27,000 Class A preference shares of €0.01 each	270	270		
24,000 Class B preference shares of €0.01 each	240	240		
	18,510	18,510		
	2012 €	2011 €	2012 £	2011 £
Allotted, called up and fully paid				
1,800,000 ordinary shares of €0.01 each	18,000	18,000	14,674	15,057
4,000 Class A preference shares of €0.01 each	40	40	33	33
4,000 Class B preference shares of €0.01 each	40	40	33	33
	18,080	18,080	14,740	15,123
4,000 Class A preference shares classified as non-current liabilities	(40)	(40)	(33)	(33)
Share capital classified as equity	18,040	18,040	14,707	15,090

**Issued share capital**

The issued share capital regarding the ordinary shares and Class B preference shares are retranslated at the exchange rate 1 EUR – GBP 0.815 as per 31 December 2012

**Ordinary shares**

The holders of the ordinary shares have the right to receive notice of and to vote at any general meeting of the Company. Each share confers the right to cast one vote.

The ordinary shares are entitled to receive dividends when resolved by the Board of the Company, except under certain circumstances. In the event of the Company winding up, the assets of the Company available for distribution amongst the holders of the ordinary shares shall be determined after the redemption in full of any other class of shares issued by the Company.

The holders of the ordinary shares have the right to receive notice of and to vote at any general meeting of the Company. Each share confers the right to cast one vote.

The ordinary shares are entitled to receive dividends when resolved by the Board of the Company, except under certain circumstances. In the event of the Company winding up, the assets of the Company available for distribution amongst the holders of the ordinary shares shall be determined after the redemption in full of any other class of shares issued by the Company.

**Preference shares**

The holders of the Class A preference shares and Class B preference shares (together the "preference shares") have the right to receive notice of and to attend any general meeting of the Company. Each preference share confers the right to cast one vote.

The holders of the Class A preference shares are entitled to distributions, in priority to any dividends payable in respect of the Class B preference shares and ordinary shares. Dividends on the preference shares are paid at the sole discretion of the Board of the Company.

The Class A preference shares are redeemable at the option of the holder under certain circumstances. The Class B preference shares are redeemable at the option of the Company provided that, a) no Class A preference shares are issued and outstanding and held by an entity other than the Company and b) all Class B preference shares are held by the holders of the majority of the ordinary shares.

The Company has the right to acquire its preference shares for a price amounting to the share premium paid on those shares, subject to funds legally available.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. Share Capital (continued)

In accordance with International Financial Reporting Standard No 32 (IAS 32), due to their terms, the Class A preference shares have been classified as a compound financial instrument, being those which have the features of both debt and equity. The principal component (equal to the share capital and share premium in respect of these shares) is therefore presented in the balance sheet as a liability under 'Loan capital' and any dividends paid on these shares being presented in comprehensive income for the year.

The Class B preference shares are classified as equity as the shares are not redeemable at the option of the holder and distributions on the shares are made at the sole discretion of the board of the Company.

## 8. Related parties

## UK Government

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly-owns and as a result, the UK Government and UK Government controlled bodies are related parties of the company.

The Company enters into transactions with these bodies on an arm's length basis, they include the payment of taxes including UK corporation tax and value added tax.

## Group undertakings

The Company's immediate parent company is NatWest (Deansgate) Investments Limited, a company incorporated and registered in Cayman Islands. As at 31 December 2012, National Westminster Bank Plc heads the smallest group in which the Company is consolidated, a company incorporated in the UK and registered in England and Wales. Copies of the consolidated accounts may be obtained from RBS Secretariat, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in the UK and registered in Scotland. As at 31 December 2012, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company was party to various transactions with The Royal Bank of Scotland plc. These transactions were entered into on an arm's length basis unless stated otherwise and include the surrender of tax losses (see note 3). The outstanding balances arising from these transactions as at 31 December 2012 are set out below.

	2012 £	2011 £
<b>National Westminster Bank Plc</b>		
<b>Current assets</b>		
Short-term loans to Group undertaking	337,653	337,653

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 8. Related parties (continued)

	2012 £	2011 £
<b>Royal Bank of Scotland plc</b>		
<b>Current assets</b>		
Cash at bank – Group	<u>3,342</u>	<u>3,429</u>
<b>Current liabilities</b>		
Accrued expenses	<u>25,000</u>	<u>25,000</u>

**Key management**

The Company is a subsidiary of The Royal Bank of Scotland Group plc whose policy is for companies to bear the costs of their full time staff. The time and costs of executives and other staff who are primarily employed by the Group are not specifically recharged.

In the Company and the Group, key management comprise directors of the Company and members of the Group Executive Management Committee. The emoluments of the directors of the Company are met by the Group.

The directors of the Company do not receive remuneration for specific services provided to the Company.

**Capital Support Deed**

The Company, together with other members of the RBSG group, is party to a capital support deed (CSD). Under the terms of the CSD, the Company may be required, if compatible with its legal obligations, to make distributions on, or repurchase or redeem, its ordinary shares. The amount of this obligation is limited to the Company's immediately accessible funds or assets, rights, facilities or other resources that, using best efforts, are reasonably capable of being converted to cleared, immediately available funds (the Company's available resources) together with any amounts distributed to it by its subsidiaries pursuant to the CSD. The CSD also provides that, in certain circumstances, funding received by the Company from other parties to the CSD becomes immediately repayable, such repayment being limited to the Company's available resources.

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**Independent auditor's report**

The independent auditor's report is recorded on pages 16 and 17

**Statutory profit appropriation**

The loss for the period is attributable to the shareholders

**Profit appropriation**

Management proposes to transfer the loss for the year of £8,087 to retained earnings (year ended 31 December 2011: £901 loss). This proposal has been included in the financial statements.

During the year no dividends were declared or paid on the Class A preference shares and Class B preference shares respectively (31 December 2011: £nil). A final dividend has not been proposed.

**Shareholder meeting**

The financial statements of the Company for the year ended 31 December 2012 were approved and adopted at the General Meeting of Shareholders on 17 July 2013.

**Rights restricted to classes of shares**

For an explanation of rights related to ordinary shares, class A preference shares and class B preference shares, please see note 7 to the financial statements.

**Subsequent events**

There are no significant subsequent events to report.

## **Independent auditor's report**

To: The Shareholder of Dolomite Investments B.V.

### **Report on the financial statements**

We have audited the accompanying financial statements 2012 of Dolomite Investments B.V., Amsterdam, which comprise the balance sheet as per December 31, 2012, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

**Opinion with respect to the financial statements**

In our opinion, the financial statements give a true and fair view of the financial position of Dolomite Investments B V as per December 31, 2012 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, July 19, 2013

Deloitte Accountants B.V.

Signed on the original: A. den Hertog