Company Registration No: 5946900

TOPAZ FINANCE PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2012

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	C D B Kyle A S Devine
SECRETARY:	TMF Corporate Administration Services Limited
REGISTERED OFFICE:	5th Floor 6, St Andrew Street London United Kingdom EC4A 3AE
AUDITOR:	Deloitte LLP London

Registered in the United Kingdom

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2012

ACTIVITIES AND BUSINESS REVIEW

Activity
The principal activity of Topaz Finance Plc ("the Company") continues to be the acquisition, securitisation and facilitation of mortgaged loans and as such Topaz Finance Plc is a regulated FSA entity The future intentions of the Company remain the same for the foreseeable future During the year there has been no new business but the Company continues to hold a small portfolio of mortgages

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 and principal risks and uncertainties 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 Group Secretariat, RBS Gogarburn, Edinburgh EH12 1HQ, the Registrar of Companies or through the Group's website at rbs com

Review of the year
Business Review
The directors are satisfied with the Company's performance in the year The Company will be guided by its ultimate parent company in seeking further opportunities for growth

Financial Performance
The Company's financial performance is presented in the Statement of Comprehensive Income on page 7 The profit before taxation for the year was £318k (2011 £449k Profit) No interim dividend was paid during the year (2011 £nil) The directors do not propose a final dividend to be paid (2011 £nil) The profit for the year after taxation of £240k (2011 £322k Profit) has been transferred to reserves

Principal Risks and Uncertainties
The main risks to the Company are financial risks The Company does not enter into any derivative transactions The Company seeks to minimise its exposure to external financial risks and further information on the financial instruments of the Company, its financial risk management policies and exposures is disclosed in note 16

Going Concern
The Company's business activities, together with the factors likely to affect its future development are set out in the Directors' Report The directors have stated that the Company's operations will continue as they currently are for the foreseeable future and, while the Company is expected to generate positive cash flows on its own account, the Company participates in arrangements with group companies and has considered the impact of the Group going concern status in its assessment

DIRECTORS' REPORT (CONTINUED)

The directors, having made such enquiries as they considered appropriate, have prepared the financial statements on a going concern basis The Directors have also considered the announcement of results by the Group for the year ended 31 December 2012, approved on 28 February 2013, which were prepared on a going concern basis

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year except where noted below, are listed on page 1

From 1 January 2012 to date the following changes have taken place

J E Blakemore	Resigned 16 04 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITOR

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

(1) so far as he/she is aware there is no relevant audit information of which the Company's Auditor is unaware, and
(2) the director has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

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

DIRECTORS' INDEMNITIES

In terms of section 236 of the Companies Act 2006, C D B Kyle and A S Devine have been granted Qualifying Third Party Indemnity Provisions by the Group

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company follows the policy and practice on payment of creditors determined by the Group as outlined below

The Group is committed to maintaining a sound commercial relationship with its suppliers Consequently, it is the Group's policy to negotiate and agree terms and conditions with its suppliers, which include the giving of an undertaking to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract or such other payment period as may be agreed

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as an auditor
A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming annual general meeting of the Company

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

Director/~~Secretary~~ Chris D B Kyle.
Date 25th April 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOPAZ FINANCE PLC

We have audited the financial statements of Topaz Finance PLC ('the Company') for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 212 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB)

In our opinion the financial statements comply with IFRSs as issued by the IASB

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Simon Hardy FCA(Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

25 April 2013

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Notes	Year ended 31/12/12 £ '000	Year ended 31/12/11 £ '000
Net Gain/(Loss) on Mortgages	2	147	(183)
Administrative Expenses	3	(298)	(62)
Operating Loss		**(151)**	**(245)**
Other Gains	7	-	669
Interest Revenue	8	469	25
Profit before taxation		**318**	**449**
Taxation	9	(78)	(127)
Profit for the year		**240**	**322**
Total comprehensive income for the year attributable to equity shareholders of the Company		**240**	**322**

All the above activities are in respect of continuing operations

The notes on pages 11 to 19 form an integral part of the financial statements

BALANCE SHEET
at 31 December 2012

	Notes	2012 £'000	2011 £'000
Current Assets			
Mortgages on residential properties	10	-	-
Trade and other receivables	11	467	14
Loan to group undertaking	12	45,000	-
Cash and cash equivalents		2,176	47,209
Total Assets		**47,643**	**47,223**
Current Liabilities			
Other Liabilities	13	1,222	1,001
Current Tax Liability		78	119
Total Liabilities		1,300	1,120
Equity and Reserves			
Called up share capital	14	177,000	177,000
Retained earnings		(130,657)	(130,897)
Total Equity		46,343	46,103
Total Liabilities and Equity		**47,643**	**47,223**

Approved by the board of directors and authorised for issue on 25th April 2013 and signed on their behalf

Director Director

CD B Kyle A S Devine

The notes on page 11 to 19 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2012

	Share capital £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 January 2011	**177,000**	**(131,219)**	**45,781**
Profit for the year	-	322	322
Total comprehensive income for the year	-	322	322
Balance at 31 December 2011	**177,000**	**(130,897)**	**46,103**
Profit for the year	-	240	240
Total comprehensive income for the year	-	240	240
Balance at 31 December 2012	**177,000**	**(130,657)**	**46,343**

Total comprehensive income for the year of £240k (2011 £322k) was wholly attributable to the owners of the Company

The notes on page 11 to 19 form an integral part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2012

	2012 £'000	2011 £'000
Operating activities		
Profit for the year before Tax	**318**	**449**
(Increase) in Interest Receivable	(455)	-
Decrease in other receivables	2	223
Increase/(Decrease) in other payables	221	(202)
Decrease in Mortgage loans	-	312
Cash generated from operations	**86**	**782**
Income Tax (Paid)	(119)	(226)
Net cash from operating activities	**(33)**	**556**
Investing activities		
(Increase) in Cash loans	(45,000)	-
Net cash from investing activities	**(45,000)**	**-**
Net increase in cash and cash equivalents	**(45,033)**	**556**
Cash and cash equivalents at beginning of the period	47,209	46,653
Cash and cash equivalents at end of the period	**2,176**	**47,209**

The notes on pages 11 to 19 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the period, is set out below

Presentation of Accounts
The financial statements, which should be read in conjunction with the Directors' Report, are prepared on a 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 (together "IFRS") as adopted by the European Union ("EU")

The financial statements are prepared on the historical cost basis, except for the revaluation of certain financial instruments

Adoption of new and revised standards
There are a number of changes to IFRS that were effective from 1 January 2010 They have had no material effect on the Company's financial statements for the year ended 31 December 2012

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IFRS7	Offsetting Financial Assets and Financial Liabilities
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IAS 24 (amended)	Related Party Disclosures
IAS 32 (amended)	Offsetting financial assets and liabilities
IFRIC 14 (amended)	Prepayments of a Minimum Funding Requirement

Improvement to IFRSs (May 2010)

The adoption of IFRS 9 which the Company plans to adopt for the year beginning on 1 January 2015 will impact both the measurement and disclosures of Financial Instruments

The Directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Company in future periods

Valuation of mortgages on residential properties
Mortgages are carried at fair value and the related gains and losses are recognised in the profit and loss account Fair value is determined using valuation techniques and includes using recent arm's length market transactions

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

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments

Financial instruments
Classification
A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss
All mortgage loans are designated as at fair value through profit or loss All other financial assets are classified as loans and receivables, and all financial liabilities are classified as financial liabilities measured at amortised cost For all assets and liabilities not held at fair value, the directors consider that the carrying value approximates the fair value

Recognition
The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments From trade date, any gains and losses arising from changes in fair value of financial assets or liabilities designated as at fair value through income statement are recorded in the statement of comprehensive income

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire

Offsetting
Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions

Fair value measurement principles
The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for assets traded in an active market at the balance sheet date without any deduction for estimated future selling costs Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices

For all other financial instruments fair value is determined by using valuation techniques Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models

2. Revenue
Net Gain/(Loss) on Mortgages

The Company's gain on investment has been disclosed as Net Gain/(Loss) on Mortgages as this represents more accurately the Company's activities Gain on investment represents gain and losses arising from changes in fair value of mortgages together with cash realised from live and written-off mortgages The cash realised from live mortgages includes principal repayments, interest, fees, other income received from mortgages, including gains and losses on the sale of mortgages The cash realised from written-off mortgages includes recoveries of shortfalls

	2012 £'000
Repayments of Live mortgages (net of incurred costs)	-
Shortfalls recovered during the year	88
Other Gains	59
	147

Shortfalls under recovery are further detailed in the table below

	£'000	Number of Shortfalls Under Recovery
Shortfalls as at 1st January 2012	13,340	281
Shortfalls no longer under recovery	(418)	(7)
Shortfalls recovered during the year	(88)	-
Mortgages moved to shortfalls	114	1
Costs to be recovered (added to shortfalls)	26	-
Shortfalls as at 31st December 2012	12,974	275

The whole Company's operations are carried out in the UK

3. Administrative expenses

Administrative expenses comprise direct costs, overheads, fees charged by the mortgage service provider, repayment of VAT over recovery and management fees recharged by the Group to the Company

4. Auditor's remuneration

Auditor's remuneration for the audit of the statutory accounts of the Company was £13,000 (2011 £7,000)
The Auditor's remuneration has been accrued in the Company financial statements

5. Directors' remuneration

No emoluments were received by the directors from the Company or any other third party for the performance of their duties (2011 £nil)

6. Employees

The Company did not have any direct employees during the current or prior year

7. Other Gains

	2012 £'000	2011 £'000
Other Gains	-	669

8. Interest Revenue

	2012 £'000	2011 £'000
Interest receivable from group undertakings	455	-
Interest received from group undertakings	14	25
Interest Revenue	469	25

9. Tax on profit/(loss) on ordinary activities

Analysis of charge in year	2012 £'000	2011 £'000
Current Taxation		
(Charge) for the year	(78)	(119)
Under provision in respect of prior periods	-	(8)
Tax (charge) for the year	(78)	(127)

Factors affecting tax charge for period

The actual tax charge differs from the expected tax charge computed by applying the applicable rate of UK corporation tax of 24 5% (2011 26 5%) as follows

	2012 £'000	2011 £'000
Expected Tax charge	(78)	(119)
Adjustments in respect of prior periods	-	(8)
Actual tax (charge)	(78)	(127)

10 Live mortgages on residential properties

	2012 £'000	2011 £'000
As at 1 January	-	312
Gain/(Loss) on fair value	-	(312)
As at 31 December	-	-

The amount receivable against mortgages is secured against charges on residential properties Mortgages are designated as at fair value through profit or loss The remaining 3 mortgages (2011 4) are marked down to zero During 2012, 1 mortgage was moved to be recovered under shortfalls

11. Trade and other receivables

	2012 £'000	2011 £'000
Interest receivable on Cash Loan to Group	455	-
Other debtors /prepayments	12	14
	467	14

12. Loan to Group undertakings

	2012 £'000	2011 £'000
Loan to Group undertakings	45,000	-

13 Other liabilities

	2012 £'000	2011 £'000
Other liabilities	1,009	1,001
VAT accruals	213	-
	1,222	1,001

14. Share capital

	2012 £'000	2011 £'000
200,000,000 (2010 200,000,000) authorised ordinary shares of £1 each	200,000	200,000
Issued share capital 177,000,000 (2010 177,000,000) allotted, called up and fully paid ordinary shares of £1 each	177,000	177,000

15. Significant Events during the year

In August 2012, Topaz lent £45m to group undertakings

16. Principal risks and uncertainties

The Company is exposed to credit, price, liquidity, interest and operational risks

Credit risk

The Group risk management division sets standards for maintaining and developing credit risk management throughout the Group This is achieved via a combination of governance structures, credit risk policies, control processes and infrastructure collectively known as the Group's Credit Risk Management Framework ("CRMF")

Credit risk on the Company's liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit-rating agencies, including other group entities

The Company's exposure to credit risk is not considered to be significant as the credit exposures are with group companies (see note 18) As at 31 December 2012 there were no impaired loans due to the Company (2001 £nil)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities The Company mitigates liquidity risk by managing and generating liquidity with group undertakings

The Company monitors principal risks and uncertainties through the RBS group risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives The framework aims to limit undue counterparty exposure and ensure sufficient working capital exists and monitor the management of risks faced by the Company

The Company does not have any material liabilities and has a sufficient cash balance as at balance sheet date, hence the Company is not exposed to significant liquidity risk

Price risk

Price risk arises in relation to changes in fair value of the mortgages on UK residential properties from changes in inputs to the pricing techniques used for valuation of the mortgages These inputs include changes in interest rates, default and prepayment rates inherent in the portfolio of mortgages held by the Company

Interest Rate risk

Interest rate risk arises where assets and liabilities have different repricing maturities The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities The following tables indicate financial assets and liabilities that are exposed to interest rate risk together with the corresponding range of applicable interest rates

2012	Interest - bearing Within one year £'000	Interest - bearing After one year £'000	Non interest-bearing Within one year £'000	Non interest-bearing After one year £'000	Total £'000
Financial assets					
Amounts due from group undertakings	-	45,000	-	-	45,000
Trade and other receivables	-	-	467	-	467
Cash at bank	2,176	-	-	-	2,176
	2,176	45,000	467	-	47,643
Financial liabilities					
Amounts due to group undertakings	-	-	-	-	-
	-	-	-	-	-
Net financial assets	**2,176**	**45,000**	**467**	**-**	**47,643**

2011	Interest - bearing Within one year £'000	Interest - bearing After one year £'000	Non interest-bearing Within one year £'000	Non interest-bearing After one year £'000	Total £'000
Financial assets					
Amounts due from group undertakings	-	-	-	-	-
Trade and other receivables	-	-	14	-	14
Cash at bank	47,209	-	-	-	47,209
	47,209	-	14	-	47,223
Financial liabilities					
Amounts due to group undertakings	-	-	-	-	-
	-	-	-	-	-
Net financial assets	**47,209**	**-**	**14**	**-**	**47,223**

Interest rate	% interest rate range 2012	2011
Cash at bank	0-19bps	0-43bps
Amounts due from group undertakings	0-250bps	

Operational Risk

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures The Company manages this risk, in line with the Group framework, through systems and procedures to monitor transactions and positions and the documentation of transactions

Capital risk management

The Company is a FSA regulated entity and as such the capital structure is reviewed in order to ensure that the Company is able to continue as a going concern and to meet its regulatory capital obligations

Financial instruments

The Company's financial instruments comprise mortgaged loans, cash, debtors and creditors which arise directly from its operations and are part of its principal activity The main risks arising from the Company's financial instruments are discussed under principal risks and uncertainties above

The directors consider that the carrying amounts of "Other" financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values

17. Events since the balance sheet date

A provision for VAT over recovery from previous years of £213k is included in the accounts

The directors have been made aware of a review of the operations of the third-party mortgage service provider At the date of signing the financial statements, the review is ongoing and it is not possible to determine whether there is any potential financial impact on the company arising therefrom

18. Related Parties

On 1 December 2008, the UK Government through HM Treasury became the ultimate controlling party of The Royal Bank of Scotland Group plc The UK Government's shareholding is managed by UK Financial Investments Limited, a Company wholly-owned by the UK Government As a result, the UK Government and UK Government controlled bodies became related parties of the Company

The Company's ultimate holding company is The Royal Bank of Scotland Group plc and its immediate parent company is The Royal Bank of Scotland plc Both companies are incorporated in the United Kingdom 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 and The Royal Bank of Scotland plc heads the smallest group in which the Company is consolidated Copies of the consolidated accounts of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ

Transactions between the Company, and the UK Government and UK Government controlled bodies, consisted solely of corporation tax which is separately disclosed in Note 9

Transactions with other Group Companies in the period 1 January to 31 December 2012 comprised

	2012 £'000	2011 £'000
Amounts due from		
Immediate parent **The Royal Bank of Scotland plc**		
Cash balance held in Bank accounts	1,139	41,029
Loan	45,000	-
Other group undertakings **Royal Bank of Scotland NV**		
Cash balance held in Bank accounts	5	5,144

The company securitised mortgages in 2007 and 2008 (via the asset owning companies and a note issuance programme Uropa Securities Plc) The company does not consolidate the asset owning companies and Uropa Securities Plc The Royal Bank of Scotland plc holds notes issued by Uropa Securities Plc

Notes held by Royal Bank of Scotland plc

Current outstanding notional	2012 £'000	2011 £'000
2007 issuance programme	152,577	179,435
2008 issuance programme	337,897	351,715

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 However, the group recharges subsidiaries for management fees which include an allocation of certain staff and administrative support costs

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