

Company Registration No: 05660871

RBS POWER INVESTMENTS IRELAND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

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COMPANIES HOUSE

**Group Secretariat
The Royal Bank of Scotland Group plc
Gogarburn
P.O. Box 1000
Edinburgh EH12 1HQ**

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**I M Merriman
P S Roberts
P J Whitby**

SECRETARY:

R E Fletcher

REGISTERED OFFICE:

**135 Bishopsgate
London
EC2M 3UR**

AUDITORS:

**Deloitte LLP
London**

Registered in England and Wales.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2009

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Activity

RBS Power Investments Ireland Limited ('the Company') is an investment company which sold its last investment in September 2009, since then it has not made any further investments or engaged in other activities or have specific plans to do so

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 Royal Bank of Scotland Group plc 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 Company's financial performance is presented in the Statement of Comprehensive Income on page 7. The retained profit for the period was £291,995 (2008 retained profit £390,117). The directors do not recommend the payment of a final dividend (2008 Nil).

Use of Financial Instruments

While an active investor, the Company uses financial instruments in its activities that are appropriate to its strategy and circumstance. It seeks to minimise its exposure to external financial risks. Further information on financial risk management policies and exposures is disclosed in note 4.

Going Concern

The directors have prepared the financial statements on a basis other than that of a going concern. There is no impact to the amounts presented in the financial statements.

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 2009 to date the following changes have taken place

	Appointed	Resigned
Directors		
A D Jameson		20 February 2009

DIRECTORS' REPORT (CONTINUED)

R J Whittick
I M Merriman
J R Browne

20 February 2009

20 February 2009

16 September 2009

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 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 as far as concern members 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

DISCLOSURE OF INFORMATION TO AUDITORS

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

- a) so far as he/she are aware there is no relevant audit information of which the Company's auditors are unaware, and
- b) the director has taken all the steps that he/she ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

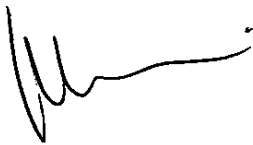
This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

DIRECTORS' REPORT (CONTINUED)

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors

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



I M Merriman
Director
Date 9th August 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBS POWER INVESTMENTS IRELAND LIMITED

We have audited the financial statements of RBS Power Investments Ireland Limited ('the company') for the year ended 31 December 2009 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 16. The financial statements have been prepared on a basis other than that of going concern under the accounting policies set out therein. 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 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 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 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 (APB'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.

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 2009 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBS POWER INVESTMENTS IRELAND LIMITED (CONTINUED)

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Michael Lloyd

Michael Lloyd (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

9 August 2010

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2009

Discontinued Operations	Notes	2009 £	2008 £
Investment income	5	766,629	964,404
Realised gain/(unrealised loss)	6	274,629	(848,756)
OPERATING PROFIT	7	<u>1,041,258</u>	<u>115,648</u>
Interest payable to group undertakings		(419,106)	(954,672)
Finance (cost)/income	8	(10,824)	277,398
PROFIT/(LOSS) BEFORE TAX		<u>611,328</u>	<u>(561,626)</u>
Income tax	9	(319,333)	951,743
PROFIT FOR THE YEAR		<u>291,995</u>	<u>390,117</u>
Exchange Differences on Translation		(69,580)	(276,553)
Other comprehensive income for the year		<u>(69,580)</u>	<u>(276,553)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY		<u><u>222,415</u></u>	<u><u>113,564</u></u>

Notes 1-16 form an integral part of these Financial Statements

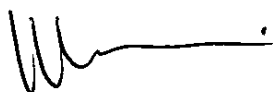
BALANCE SHEET
at 31 December 2009

	Notes	2009 £	2008 £
ASSETS			
Non-current Assets			
Fair value through profit and loss investments	10	-	23,979,912
		<u>-</u>	<u>23,979,912</u>
Current Assets			
Cash and cash equivalents		1,583,233	1,608,991
Current tax asset		43,362	522,862
TOTAL ASSETS		<u>1,626,595</u>	<u>26,111,765</u>
EQUITY AND LIABILITIES			
Current liabilities			
Amounts owed to group undertakings	12	-	24,511,631
Other liability	13	-	87,320
Derivative financial instrument	11	-	108,634
TOTAL LIABILITIES		<u>-</u>	<u>24,707,585</u>
Equity			
Share capital	14	1	1
Foreign currency translation reserve		261,916	331,496
Retained Earnings		1,364,678	1,072,683
TOTAL EQUITY		<u>1,626,595</u>	<u>1,404,180</u>
TOTAL EQUITY AND LIABILITIES		<u>1,626,595</u>	<u>26,111,765</u>

Notes 1-16 form an integral part of these Financial Statements

These financial statements were approved and authorised for issue by the Board of Directors on 9th August 2010

Signed on behalf of the Board of Directors



I M Merriman
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December
2009

	Share capital £	Foreign currency translation reserve £	Retained earnings £	Total £
Balance at 1 January 2008	1	54,943	682,566	737,510
Profit for the year	-	-	390,117	390,117
Other comprehensive income	-	276,553	-	276,553
Total comprehensive income for the year	-	276,553	390,117	666,670
Balance at 31 December 2008	1	331,496	1,072,683	1,404,180
Balance at 1 January 2009	1	331,496	1,072,683	1,404,180
Profit for the year	-	-	291,995	291,995
Other comprehensive income	-	(69,580)	-	(69,580)
Total comprehensive income for the year	-	(69,580)	291,995	222,415
Balance at 31 December 2009	1	261,916	1,364,678	1,626,595

CASH FLOW STATEMENT
for the year ended 31 December 2009

	2009 £	2008 £
Operating activities		
Profit/(loss) before taxation	611,328	(561,626)
Adjustments for (Increase)/decrease in fair value of investment and derivative financial instrument	(274,629)	848,756
Investment income	(766,629)	(964,404)
Finance cost/(income)	10,824	(277,398)
Interest payable to group undertakings	419,106	954,672
Operating cash flows before movement in working capital	-	-
Interest payable to group undertakings	(912,023)	(1,070,276)
Taxation received	154,672	452,683
Net cash from operating activities	(757,351)	(617,593)
Investing activities		
Dividends from investments	764,480	1,159,413
Cash flows from investing activities	764,480	1,159,413
Financing activities		
Interest on swap	80,979	255,014
Net cash used in financing activities	80,979	255,014
Net increase in cash and cash equivalents	88,108	796,834
Cash and cash equivalents at the beginning of the year	1,608,991	624,484
Effect of foreign exchange rate changes	(113,867)	187,673
Cash and cash equivalents at the end of the year	1,583,233	1,608,991

NOTES TO THE ACCOUNTS**For the year ended 31 December 2009****1. GENERAL INFORMATION**

RBS Power Investments Ireland Limited ('the Company') is incorporated in Great Britain and registered under the Companies Act 2006. The address of the registered office is on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

The financial statements, which should be read in conjunction with the Directors' Report, are prepared on a basis other than going concern and in accordance with 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 and in accordance with the Companies Act 2006.

2. ACCOUNTING POLICIES**Adoption of new accounting standards in the year**

In the current year, the following new and revised Standards and Interpretations have been adopted:

IAS 1 (Revised 2007) 'Presentation of Financial Statements' has introduced a number of changes in the format and content of the Company's financial statements including a statement of changes in equity (showing the components of changes in equity for the period) as a primary financial statement and a single statement of comprehensive income. The Company has adopted 'Amendments to IFRS 7 Financial Instruments: Disclosures'. These amendments expand the disclosures required about fair value measurement and liquidity risk.

Adoption of new accounting standards not yet effective

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):

IFRS 9 Financial Instruments

IFRIC 14 Payment of a Minimum Funding Requirement

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRS 2 (amended) Group Cash-Settled Share-based payment Transactions

IFRS 1 (amended) Additional Exemptions for First-time Adopters

IFRS 1 (amended) Limited Exemption from Comparative IFRS7 Disclosures for First-Time adopters

IAS 32 (amended) Financial Instruments: Presentation

IAS 39 (amended) Financial Instruments: Recognition and Measurement

IAS 24 (revised 2009) Related Party Disclosures

Improvements to IFRSs April 2009

The IASB reissued IAS24, 'Related Party Disclosure' in November 2009 clarifying the existing standard and providing certain exemptions for entities government control. The revised standard is effective for annual periods beginning on or after 1 January 2011.

2. ACCOUNTING POLICIES (CONTINUED)

The IASB issued IFRS 9 'Financial Instruments' in November 2009. This standard makes changes to the framework for the classification and measurement of financial assets and will have an effect on the Company's financial statements. The Company is assessing this impact which is likely to depend on the outcome of the other phases of IASB's IAS 39 replacement project.

With the exception of this, the directors anticipate that the adoption of these Standards and Interpretations in the future will have no material impact on the financial statements of the Company.

Accounting estimates and uncertainties

In the application of the accounting policies which are described in note 2 to these financial statements, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision or future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgements were made by the management in application of accounting policies are as follows:

a) tax (note 8)

Interest payable

Interest payable represents amounts payable to group undertakings. Interest payments are recognised in the income statement on an accrual basis.

Dividend income

Dividend income from Equity investments is recognised when rights to receive payments have been established.

Gains and losses on realisation of investments

Gains and losses on realisation of investments are recognised in the income statement on the date of disposal.

Foreign currencies

The functional currency of the company is Euros. For the purposes of the financial statements, the results and financial position of the Company are expressed in pounds sterling, which is the presentation currency of the Financial Statements. The accounts are prepared using Sterling as a presentation currency as the performance of the entity is monitored in Sterling.

At each balance sheet date, assets and liabilities that are denominated in the functional currency (Euros) are translated into the presentation currency (pounds sterling) using the closing rate at the date of the balance sheet. Income and expenses for the income statement are translated at the average rate for the period.

2. ACCOUNTING POLICIES (CONTINUED)

All resulting exchange differences are recognised as a separate component of equity. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of. Exchange differences are primarily due to translating income and expenses at the average exchange rate, whilst translating assets and liabilities at the closing rate. Differences also exist from translating opening net assets at a closing rate that differs from the previous closing rate.

These exchange differences are not recognised in profit or loss because the exchange rates have little or no direct effect on the present and future cash flow from operations as stated per IAS 21.

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, except in relation to overseas earnings where remittance is controlled by RBS Group plc ('the Group'). Deferred tax assets are only recognised to the extent that it is probable that they will be recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and are subject to an insignificant risk of changes in value.

Derivative financial instruments

The Company's activities expose it primarily to the financial risks of changes in interest rates. The Company uses derivative financial instruments to hedge its exposure to interest rate movements on borrowings from its parent.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models. The derivative financial instruments do not qualify for hedge accounting and changes in fair value are recognised in Profit or Loss as they arise.

Financial assets

Equity investments in this company have been designated as fair value through profit and loss ("FVTPL") investments. Where securities have been classified as FVTPL, gains and losses arising from changes in fair value are included in the income statement for that period. Fair values for financial assets that are not quoted in an active market are determined using appropriate valuation techniques such as discounted future cash flows.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Fair values for financial liabilities not quoted in an active market are determined using appropriate techniques including discounting future cash flows, option pricing models and other methods that are consistent with accepted economic methodologies for pricing financial liabilities.

3. BASIS OF CONSOLIDATION

The financial statements contain information about RBS Power Investment Ireland Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary are included by full consolidation in the consolidated financial statements of its ultimate parent company, The Royal Bank of Scotland Group plc, a company registered in Scotland.

4. FINANCIAL INSTRUMENTS AND PRINCIPAL RISKS AND UNCERTAINTIES

The Company has financial risk exposures. This section summarises these risks and the way the Company manages these.

Financial risk

The Company is a member of the Global Banking Markets Division of The Royal Bank of Scotland Group plc. As such, the Company benefits from services provided by specialist teams, risk management procedures and controls which are applied consistently across the Division.

The Division is exposed to financial risk through its financial assets and financial liabilities (borrowings). The Division's financial risk is concentrated within its investment portfolio. This portfolio is managed in accordance with the GBM's Investment Policy and Investment Guidelines. These are drawn up in compliance with the objectives and risk appetite parameters set by The Royal Bank of Scotland Group plc and are approved by the GBM Board. The Investment Policy is operated by the Equity Investment Committee and the Credit Committee, which is made up of Senior Executives within GBM. The Group Asset and Liability Management Committee (GALCO) also monitor investments.

The most important components of financial risk are market risk, credit risk and liquidity risk.

Market risk

Market risk encompasses any adverse movement in the value of financial instruments as a consequence of market movements such as interest rates, credit spreads, foreign exchange rates and equity prices. There are no exposures for the year ended 31 December 2009.

Interest rate risk

The Company is exposed to interest rate risk as a result of its borrowing from its parent company, the Group. The Company manages interest rate risk by using derivative financial instruments to hedge its exposure to interest rate movements.

Currency risk

Currency risk arises due to conversion of foreign currency assets and liabilities into local currency. Exchange differences that arise from the conversion are recognised in Equity because the exchange rates have little or no direct effect on the present and future cash flow from operations.

Credit risk

Credit risk is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the Company. Credit risk arises principally from the Company's lending activities.

4. FINANCIAL INSTRUMENTS (CONTINUED)

The Royal Bank of Scotland Group plc risk management division sets standards for maintaining and developing credit risk management throughout The Royal Bank of Scotland Group plc. 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")

The following table analyses the credit exposure of the Company by type of asset

At 31 December 2009	2009	2008
	£	£
Fair value through profit and loss investments	-	23,979,912
Cash and cash equivalents	1,583,233	1,608,991
Current tax asset	43,362	522,862
Total assets bearing credit risk	1,626,595	26,111,765

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

There are no financial assets which are past due or impaired at balance sheet date

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value

Liquidity risk

Liquidity risk is the potential that obligations cannot be met as they fall due as a consequence of having a timing mismatch

Liquidity risk is mitigated by the routine monitoring of key management information

The Company has no financial liabilities for the year ended 31 December 2009. In 2008 the main exposure was group undertakings which were not deemed to hold a significant liquidity risk

Capital risk management

The Company is a member of The Royal Bank of Scotland Group plc which is subject to capital requirements imposed by the Financial Services Authority (FSA). A quarterly regulatory capital return is submitted to the FSA on The Royal Bank of Scotland plc and The Royal Bank of Scotland Group plc consolidated level

Capital is not managed for FSA purposes at the Company level but net equity levels are monitored and if required, support from The Royal Bank of Scotland plc, an intermediate holding company, is obtained. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital and retained earnings

5. INVESTMENT INCOME	2009	2008
	£	£
Dividends from equity investment	766,629	964,404

6. OTHER GAINS AND LOSSES	2009	2008
	£	£
Unrealised (loss)/gain in derivative financial instrument	274,629	(848,756)
	<u>274,629</u>	<u>(848,756)</u>

7. OPERATING PROFIT

The auditors' remuneration for the audit of statutory accounts of £5,000 (2008 £5,000) is borne by the immediate parent company, The Royal Bank of Scotland plc

The directors received no emoluments for their services to the company during the current year (2008 £nil) The company had no employees (2008 none)

8. FINANCE INCOME

	2009	2008
	£	£
Interest on interest rate derivatives	(10,824)	277,398
	<u>(10,824)</u>	<u>277,398</u>

9. INCOME TAX EXPENSE

	2009	2008
	£	£
Current taxation		
Credit for the year	43,485	434,872
(Charge)/credit to provision in respect of prior periods	<u>(362,818)</u>	<u>516,871</u>
Current tax (charge)/credit for the year	<u>(319,333)</u>	<u>951,743</u>

The actual tax credit/(charge) differs from the expected tax credit/(charge) computed by applying the average rate of UK corporation tax of 28% (2008 - 28.5%) as follows

	2009	2008
	£	£
Expected tax (charge)/credit	(171,172)	160,048
Non taxable items	214,657	274,824
Adjustments in respect of prior periods	<u>(362,818)</u>	<u>516,871</u>
Actual tax (charge)/credit	<u>(319,333)</u>	<u>951,743</u>

10. FAIR VALUE THROUGH P&L INVESTMENTS

	2009	2008
	£	£
Fair Value as at 1 January	23,979,912	18,438,632
Change due to FX	-	5,541,280
Investment sold during year	<u>(23,979,912)</u>	<u>-</u>
Fair Value as at 31 December	<u>-</u>	<u>23,979,912</u>

Details of the investments in which the company sold during the year is as follows

Name of company	Country of incorporation	Investment	Total equity percentage
Synergen Power Ltd	Ireland	Ordinary	30%

11. DERIVATIVE FINANCIAL INSTRUMENTS

	2009	2008
	£	£
Fair value of Interest rate swaps	<u>-</u>	<u>108,634</u>

The company terminated the swap when it sold its investment in September 2009

12. AMOUNTS OWED TO GROUP UNDERTAKINGS

	2009 £	2008 £
Loan from parent company	-	24,511,631

The Company's loan from parent company was repaid in September 2009 following the sale of its equity investment

13. OTHER LIABILITY

	2009 £	2008 £
Prepayment received in December 2008 in respect of dividend due in January 2009	-	87,320

14. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised:		
100 ordinary shares of €1 each	89	96
	89	96

	2009 £	2008 £
Called up, issued and fully paid:		
1 ordinary share of €1	1	1
At the end of the year	1	1

Ordinary shares carry one vote per share

15. 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 Great Britain and registered in Scotland.

As at 31 December 2009, 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 of corporation tax, which is separately disclosed in Note 9. Transactions with other Group Companies in the period 1 January to 31 December 2009 comprised

	2009 £	2008 £
Amounts due to		
Immediate parent The Royal Bank of Scotland plc		
Subordinated loan capital	-	23,979,912
Accrued interest	-	531,719
Share capital	1	1
	<u>1</u>	<u>24,511,632</u>
	2009	2008
	£	£
Revenue		
Immediate parent The Royal Bank of Scotland plc		
Interest payable	(419,106)	(954,672)
	<u>(419,106)</u>	<u>(954,672)</u>

16. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events between the year end and the date of approval of the accounts which would require a change or additional disclosure in the accounts.