

**Company Registration No: SC229192**

**RBS PROPERTY (GOGAR) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 2011**

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

**MONDAY**



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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

**G R M Stewart  
A M Webb**

**SECRETARY:**

**C A Russell**

**REGISTERED OFFICE:**

**24/25 St Andrew Square  
Edinburgh  
EH2 1AF**

**Registered in Scotland**

**DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 December 2011.

**ACTIVITIES AND BUSINESS REVIEW**

The Company is a dormant company.

**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 2011 to date the following changes have taken place:

	<b>Appointed</b>	<b>Resigned</b>
<b>Directors</b>		
M S Nicholls		28/03/2011
<b>Secretary</b>		
C A Russell	05/09/2011	
Y Wood		05/09/2011

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



G R M Stewart  
Director

Date: 19/4/12

## STATEMENT OF FINANCIAL POSITION AS AT 31 December 2011


	Note	2011 £	2010 £
<b>Fixed Assets</b>			
Tangible fixed assets	3	<u>3,755,000</u>	<u>3,755,000</u>
<b>Net Assets</b>		<u>3,755,000</u>	<u>3,755,000</u>
<b>Capital</b>			
Called up share capital	4	<u>3,755,000</u>	<u>3,755,000</u>

The Notes on pages 4 to 7 form part of these accounts.

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DIRECTORS' DECLARATION

- 1 For the period ended 31 December 2011 the Company was entitled to exemption under section 480(1) of the Companies Act 2006.
- 2 No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.
- 3 The directors acknowledge their responsibility for:
  - a) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006; and
  - b) preparing accounts which fairly present the financial position of the Company as at the end of its financial year, and of its financial performance and cash flows for the year in accordance with International Accounting Standards referred to by Section 395 (1(b)) of the Companies Act 2006.



G R M Stewart  
Director

Date: 19/4/12

**NOTES****1 Accounting Policies****a) Accounting convention**

The accounts have been prepared in accordance with applicable Accounting International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee (together 'IFRS') as endorsed by the European Union.

**b) Basis of Accounting**

The accounts have been prepared under the historical cost convention except for the financial assets and liabilities that are stated at amortised cost.

**c) Tangible fixed assets**

Items of property, including land are stated at cost less any accumulated depreciation. Land is not depreciated.

**d) Impairment of property**

At each reporting date, the Company assess whether there is any indication that its property is impaired. If any such indication exists, the Company estimated the recoverable amount of the asset and the impairment loss if any. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset discounted at a rate that reflects market interest rates adjusted for risks specific to the asset that have not been reflected in the estimation of future cash flows. If the recoverable amount of an asset is less than its carrying value, an impairment loss is recognised immediately in profit or loss and the carrying value of the asset reduced by the amount of the loss. A reversal of an impairment loss on property is recognised as it arises provided the carrying value does not exceed that which it would have been had no impairment loss been recognised.

**e) Financial assets**

Financial assets are classified as loans and receivables. These are non-derivative financial assets with fixed or determinable repayments that are initially recognised at fair value plus directly related costs. They are subsequently measured at amortised cost using the effective interest method less any impairment loss.

**f) Critical accounting estimates and judgements**

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. UK company law and IFRS require the directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and

prudent. In the absence of an applicable standard of interpretation, International Accounting Standard ("IAS") 8 'Accounting Policies, Changes in Accounting Estimates and Errors' requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements.

**g) Adoption of new and revised standards**

The accounting standards effective this year have not had an impact on either the results or accounting policies of the Company.

At the date of authorisation of these financial statements, there are no new standards and interpretations in issue but not yet effective which the directors anticipate will, upon adoption in future periods, have a material impact on the financial statements of the Company.

**2 Controlling 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.

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 2011, The Royal Bank of Scotland Group plc heads the largest group in which the Group is consolidated and The Royal Bank of Scotland plc heads the smallest group in which the Group 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.

**3 Tangible fixed assets - property**

	2011 £	2010 £
Cost and net book value		
At 1 January 2011 and 31 December 2011	3,755,000	3,755,000

**4 Called Up Share Capital**

	<b>Authorised</b>	<b>Share capital allotted, called up and fully paid</b>
At 31 December 2011 and 31 December 2010:		
Ordinary Shares of £1 each	£3,755,000	<u>£3,755,000</u>

**5 Financial Instruments and Risk Management****a) Capital Risk Management**

The Company considers its capital to consist of equity attributable to the equity holders of the Company, comprising issued share capital. The Company is a member of The Royal Bank of Scotland group of companies which has regulatory disciplines over the use of its capital. The Company operates controls and policies put in place by the Group to ensure that the Company can continue as a going concern and to ensure that the Group complies with these regulatory disciplines.

**b) Accounting Policies**

Details of the accounting policies and methods adopted, including the criteria for recognition and basis of measurement, in respect of each class of financial asset is disclosed in note 1.

**c) Categories of financial instruments**

The Company does not hold any financial assets or financial liabilities.

**d) Risk management**

The Company uses a comprehensive framework for managing risks established by The Royal Bank of Scotland group of companies.

The risks associated with the Company are as follows:-

**i) Interest rate risk**

Structural interest rate risk arises where assets and liabilities have different repricing maturities.

The Company has no interest rate risk as its assets are not interest bearing and it has no liabilities.

**ii) Currency risk**

The Company has no currency risk as all transactions and balances are denominated in Sterling.



**iii) 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. The Company has no credit risk as it does not have any loans and receivables.

**iv) Liquidity risk**

Liquidity risk arises where assets and liabilities have different contractual maturities. The Company manages liquidity risk through applying the established framework put in place with the Group.

The Company has no liquidity risk as it has access to financing facilities and support provided by fellow Group companies.

**v) 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 RBS Group framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The Company also maintains contingency facilities to support operations in the event of disasters.

**6 Statement of Comprehensive Income**

The Company has not traded during the accounting period, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss. A statement of comprehensive income is therefore not presented. None of the directors received any remuneration.

**7 Approval of Accounts**

The accounts were approved at a meeting of the Board of Directors.