

Company Registration No: 03414708

THE ONE ACCOUNT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2008



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

THE ONE ACCOUNT LIMITED

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Independent auditors' report	5
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Cash flow statement	10
Notes to the financial statements	11

THE ONE ACCOUNT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**Darrell Paul Evans
Peter Anderson Shaw**

SECRETARY:

Neil Clark MacArthur

REGISTERED OFFICE:

**Waterhouse Square
138-142 Holborn
London
EC1N 2TH**

AUDITORS:

**Deloitte LLP
Edinburgh**

Registered in England & Wales.

THE ONE ACCOUNT LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2008.

ACTIVITIES AND BUSINESS REVIEW

Activity

The principal activity of the Company continues to be the marketing and administration of flexible and current account mortgages, which are personal bank accounts with The Royal Bank of Scotland plc secured against the customer's home. The Company is also the administrator of the NatWest One Account and the Direct Line One Account.

The Company is a subsidiary of The Royal Bank of Scotland Group plc 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

The directors are satisfied with the development of the Company's activities during the year. The Company will be guided by its parent company, The Royal Bank of Scotland plc, in seeking further opportunities for growth. No dividends were paid during the year (2007: £37 million).

The Company's financial performance is presented in the Income Statement on page 7. At the end of the year, the financial position showed total assets of £166 million and equity of £139 million. The Company is funded by facilities from The Royal Bank of Scotland plc. It seeks to minimise its exposure to external financial risks other than credit risk, further information is disclosed in Note 12.

The directors, having made such enquiries as they considered appropriate, have prepared the financial statements on a going concern basis. They considered the financial statements of The Royal Bank of Scotland Group plc for the year ended 31 December 2008, approved on 25 February 2009, which were prepared on a going concern basis.

THE ONE ACCOUNT LIMITED

DIRECTORS' REPORT (continued)

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 2008 to date the following changes have taken place:

	Appointed	Resigned
Secretary		
Craig Francis Donaldson	-	05/04/2009
Neil Clark MacArthur	11/08/2008	-
Derek John Lewis	-	30/06/2008

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Acts 1985 and 2006 to prepare a directors' report and financial statements for each financial year and have elected to prepare them in accordance with International Financial Reporting Standards as adopted by the European Union. They are responsible for preparing financial statements that present fairly the financial position, financial performance, and cash flows of the Company. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which 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 Acts 1985 and 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.

THE ONE ACCOUNT LIMITED

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of the approval of this report confirm that:

- a) so far as he is 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 ought to have taken to make himself 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 234ZA of the Companies Act 1985.

DIRECTORS' INDEMNITIES

In terms of Section 236 of the Companies Act 2006, Craig Francis Donaldson, Darrell Paul Evans and Peter Anderson Shaw had/have been granted Qualifying Third Party Indemnity Provisions by The Royal Bank of Scotland Group plc.

POLICY AND PRACTICE ON PAYMENTS OF CREDITORS

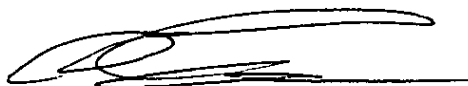
The Company follows the policy and practice on payment of creditors determined by The Royal Bank of Scotland Group plc ('RBSG') as outlined below.

RBSG is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is RBSG's policy to negotiate and agree terms and conditions with its suppliers, which includes 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.

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



D P Evans
Director

8th June 2009

THE ONE ACCOUNT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ONE ACCOUNT LIMITED

We have audited the financial statements of The One Account Limited ('the Company') for the year ended 31 December 2008 which comprise the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the related Notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the directors' report.

THE ONE ACCOUNT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ONE ACCOUNT LIMITED (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte LLP
Chartered Accountants and Registered Auditors
Edinburgh, United Kingdom

9 June 2009

THE ONE ACCOUNT LIMITED

INCOME STATEMENT
for the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Continuing Operations			
Revenue		93,620	79,792
Depreciation	8	(349)	(370)
Management recharge from other Group entity		(20,566)	(25,941)
Other administrative costs		(699)	(2,854)
Operating expenses		<u>(21,614)</u>	<u>(29,165)</u>
Operating profit		72,006	50,627
Profit on sale of fixed asset		5	-
Bank interest receivable		<u>4,940</u>	<u>5,231</u>
Profit before tax	6	76,951	55,858
Tax	7	(21,933)	(16,612)
Profit for the year		<u>55,018</u>	<u>39,246</u>

All profit for the year is attributable to the equity shareholders of the Company and is from continuing operations.

THE ONE ACCOUNT LIMITED

BALANCE SHEET as at 31 December 2008

	Notes	2008 £'000	2007 £'000
Non-current assets			
Property and equipment	8	<u>1,588</u>	<u>1,941</u>
Current assets			
Cash at bank		129,185	72,758
Amounts due from other Group entities		35,503	31,773
Other assets, prepayments and accrued income		<u>144</u>	<u>266</u>
Total current assets		<u>164,832</u>	<u>104,797</u>
Total assets		<u>166,420</u>	<u>106,738</u>
Current liabilities			
Amounts owed to other Group entities		2,846	3,064
Current tax liability		22,184	16,985
Other liabilities, accruals and deferred income	10	556	622
Deferred taxation	11	<u>1,792</u>	<u>2,043</u>
Total current liabilities		<u>27,378</u>	<u>22,714</u>
Shareholders' equity			
Called up share capital	13	44,400	44,400
Retained earnings		94,642	39,624
Total equity		<u>139,042</u>	<u>84,024</u>
Total liabilities and equity		<u>166,420</u>	<u>106,738</u>

The accounts were approved and authorised for issue by the Board of Directors on 8th June 2009 and signed on its behalf by



D P Evans
Director

THE ONE ACCOUNT LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2008

	Notes	Share capital £'000	Retained earnings £'000	Total attributable to equity holders of the Company £'000
Balance at 1 January 2007		<u>44,400</u>	<u>37,378</u>	<u>81,778</u>
Profit for the year		-	39,246	39,246
Dividends	9	<u>-</u>	<u>(37,000)</u>	<u>(37,000)</u>
Balance at 31 December 2007		44,400	39,624	84,024
Profit for the year		<u>-</u>	<u>55,018</u>	<u>55,018</u>
Balance at 31 December 2008		<u>44,400</u>	<u>94,642</u>	<u>139,042</u>

THE ONE ACCOUNT LIMITED

CASH FLOW STATEMENT for the year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Operating activities			
Profit before tax		76,951	55,858
Adjustments for:			
Depreciation of property and equipment	8	349	370
Profit on sale of fixed assets		(5)	-
Net cash flows from trading activities		<u>77,295</u>	<u>56,228</u>
(Increase)/decrease in other assets		(3,608)	16,395
Decrease in other liabilities		<u>(284)</u>	<u>(18,780)</u>
Net cash flows from operating activities before tax		73,403	53,843
Income taxes paid		<u>(16,985)</u>	<u>(13,690)</u>
Net cash flows from operating activities		56,418	40,153
Financing activities			
Proceeds from sale of equipment		9	-
Dividends paid		<u>-</u>	<u>(37,000)</u>
Net cash flows from / used by financing activities		<u>9</u>	<u>(37,000)</u>
Net increase in cash and cash equivalents		56,427	3,153
Cash and cash equivalents at 1 January		72,758	69,605
Cash and cash equivalents at 31 December		<u>129,185</u>	<u>72,758</u>

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1. PRESENTATION OF FINANCIAL STATEMENTS

The accounts, 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 Company accounts are presented in accordance with the Companies Act 1985.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Accounting convention

The financial statements have been prepared on the historical cost basis.

ii) Revenue recognition

Loans and receivables that are administered by the Company are held by a fellow Group company. Interest income and other income arising from the loans and receivables is legally transferred to the Company and recognised in accordance with IFRS as follows:

Interest income on financial assets that are classified as loans and receivables by the fellow Group company is determined using the effective interest rate method. The effective interest rate 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 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.

Fees in respect of services are recognised as the right to consideration accrues through the provision of the service to the customer. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered.

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Taxation

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity, taking into account relief for overseas taxation where appropriate. Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes.

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

iv) Financial Assets

Financial assets are classified as loans and receivables. These are non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses.

v) Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

vi) Derecognition

A financial asset is derecognised when it has been transferred and the transfer qualifies for derecognition. A transfer requires that the Company either: (a) transfers the contractual rights to receive the asset's cash flows; or (b) retains the right to the asset's cash flows but assumes a contractual obligation to pay those cash flows to a third party. After a transfer, the Company assesses the extent to which it has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards have been retained, the asset remains on the balance sheet. If substantially all of the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been neither retained nor transferred, the Company assesses whether or not it has retained control of the asset. If it has not retained control, the asset is derecognised. Where the Company has retained control of the asset, it continues to recognise the asset to the extent of its continuing involvement.

A financial liability is removed from the balance sheet when the obligation is discharged, or cancelled, or expires.

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vii) Financial liabilities

The Company does not hold any financial liabilities for trading and has no financial liabilities on the balance sheet at fair value. All financial liabilities are measured at amortised cost using the effective interest rate method.

viii) Property and Equipment

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(v)). Where an item of property and equipment comprises major components having different useful lives, they are accounted for separately.

Depreciation is charged to profit or loss on a straight-line basis so as to write off the depreciable amount of property and equipment over their estimated useful lives. The depreciable amount is the cost of an asset less its residual value. Estimated useful lives are as follows:

Computer and other equipment	3-15 years
------------------------------	------------

ix) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits with banks.

3. CRITICAL ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The reported results of the Company for 2008 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 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.

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

4. ACCOUNTING DEVELOPMENTS

International Financial Reporting Standards

The IASB issued a revised IAS 1 'Presentation of Financial Statements' in September 2007 effective for accounting periods beginning on or after 1 January 2009. The amendments to the presentation requirements for financial statements are not expected to have a material effect on the Company.

The IASB published revisions to IAS 32 'Financial Instruments: Presentation' and consequential revisions to other standards in February 2008 to improve the accounting for and disclosure of puttable financial instruments. The revisions are effective for accounting periods beginning on or after 1 January 2009 but together they may be adopted earlier. They are not expected to have a material effect on the Company.

5. REVENUE

Revenue is principally attributable to one continuing activity, the marketing and administration of flexible and current account mortgages.

Revenue is derived from the margin between interest paid by customers on their bank accounts and the funding cost of the assets required to match these customer balances on The Royal Bank of Scotland plc balance sheet less bad debt expense incurred by The Royal Bank of Scotland plc.

Revenue is a recharge from The Royal Bank of Scotland plc to the Company.

6. OPERATING PROFIT BEFORE TAX

	2008 £'000	2007 £'000
Operating profit before tax is stated after taking account of the following:		
Auditors remuneration for the audit of the Company's accounts	22	24
Depreciation on fixed assets	<u>349</u>	<u>370</u>

Management charges relate to the Company's share of Group resources such as the use of IT platforms, mortgage operations staff and a share of central resources. These are recharged on an annual basis by RBSG.

Staff Costs, number of employees and directors emoluments

All staff and directors were employed by RBSG, the ultimate parent company, the financial statements for which contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The Company has no employees and pays a management charge for services provided by other Group companies. The directors of the Company do not receive remuneration for specific services provided to the Company.

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

7. TAX

	2008	2007
	£'000	£'000
Current taxation:		
Charge for the year	<u>22,184</u>	<u>16,985</u>
	22,184	16,985
Deferred taxation:		
Credit for the year	(251)	(373)
Tax charge for the year	<u>21,933</u>	<u>16,612</u>

The main rate of UK corporation tax was changed as part of the 2007 Finance Act. The fall from 30% to 28% was effective from 1 April 2008. The 2008 rate is therefore calculated as 28.5% (30% January - March, 28% April - December).

The actual tax charge differs from the expected tax charge computed by applying the average UK corporation tax rate of 28.5% (2007:30%) as follows:

	2008	2007
	£'000	£'000
Expected tax charge	21,929	16,758
Reduction in deferred tax following change in rate of UK corporation tax	<u>4</u>	<u>(146)</u>
Actual tax charge	<u>21,933</u>	<u>16,612</u>

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

8. PROPERTY AND EQUIPMENT

	Computers and other equipment £'000	Total £'000
Cost:		
At 1 January 2008	6,244	6,244
Disposal of assets	(16)	(16)
At 31 December 2008	<u>6,228</u>	<u>6,228</u>
Accumulated depreciation and amortisation:		
At 1 January 2008	4,303	4,303
Depreciation charge for the year	349	349
Disposal of assets	(12)	(12)
At 31 December 2008	<u>4,640</u>	<u>4,640</u>
Net book value at 31 December 2008	<u>1,588</u>	<u>1,588</u>

	Computers and other equipment £'000	Total £'000
Cost:		
At 1 January 2007 and 31 December 2007	<u>6,244</u>	<u>6,244</u>
Accumulated depreciation and amortisation:		
At 1 January 2007	3,933	3,933
Depreciation charge for the year	370	370
At 31 December 2007	<u>4,303</u>	<u>4,303</u>
Net book value at 31 December 2007	<u>1,941</u>	<u>1,941</u>

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

9. ORDINARY DIVIDENDS

	2008 £'000	2007 £'000
Interim dividends paid	-	37,000

No dividends were paid during the year (2007: £37 million).

10. OTHER LIABILITIES, ACCRUALS AND DEFERRED INCOME

	2008 £'000	2007 £'000
Accruals	515	582
Other liabilities	41	40
	<u>556</u>	<u>622</u>

11. DEFERRED TAXATION

The following are the major tax liabilities and assets recognised by the Company, and the movements thereon.

	Capital allowances £'000	Other timing differences £'000	Total £'000
At 1 January 2007	(151)	(2,265)	(2,416)
(Charge) / release to income statement	(13)	386	373
At 31 December 2007	(164)	(1,879)	(2,043)
Release to income statement	16	235	251
At 31 December 2008	<u>(148)</u>	<u>(1,644)</u>	<u>(1,792)</u>

	2008 £'000	2007 £'000
Deferred tax liabilities	(1,792)	(2,043)
Deferred tax	<u>(1,792)</u>	<u>(2,043)</u>

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

12. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The only financial assets in the Company are cash (on deposit with Group undertakings) and the other balance owed by Group undertakings, which is categorised as being a loan and receivable, as defined in IAS 39.

The financial liabilities in the Company are balances owed to Group undertakings, which are categorised as being measured at amortised cost, as defined in IAS 39.

Risk Management

The Company has limited exposure to financial risk. The credit risk of the Company is not considered significant as the only amounts receivable relate to amounts owed by other RBS Group undertakings.

Remaining Maturity

All the financial instruments of the Company at 31 December 2008 and 31 December 2007 were repayable on demand.

Interest Rate Sensitivity

The Company has no significant interest rate risk as all amounts owed to and from Group undertakings are due on demand. The cash at bank bears interest at a floating rate.

Foreign Exchange

The Company operates solely within the UK and its functional currency is Sterling.

Fair Values

There were no differences between the carrying values and the fair values of financial instruments of the Company at 31 December 2008 and 31 December 2007.

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

13. CALLED UP SHARE CAPITAL

	2008 £'000	2007 £'000
Authorised		
100,000,000 ordinary shares of £1	100,000	100,000
Issued		
44,400,001 ordinary shares of £1	<u>44,400</u>	<u>44,400</u>

14. VAT

The Company and other Group companies are registered with HM Revenue & Customs jointly for VAT purposes and as a result are jointly and severally liable on a continuing basis for amounts owing by each other in respect of VAT.

15. CONTINGENT LIABILITIES

The Company has received complaints from customers following the Company's decision in 2008 not to reflect in full in its mortgage interest rates the changes in the Bank of England base rate, some of which are awaiting final adjudication from the Financial Ombudsman Service. The Company is unable to predict at this stage with any certainty the outcome of the final adjudication and is unable to reliably estimate the liability, if any, that might arise or its effect on the Company's net assets, its operating results or cash flows.

16. RELATED PARTY TRANSACTIONS

The Company is a subsidiary of RBSG 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, RBSG recharges subsidiaries for management fees which include an allocation of certain staff and administrative support costs.

Key management personnel

In the Company and RBSG, 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 RBSG.

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

16. RELATED PARTY TRANSACTIONS (continued)

Other related companies

The Company's banking facilities are with The Royal Bank of Scotland plc.

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 Group.

The Company did not enter into any transactions with the UK Government or UK Government controlled bodies during the period 1 to 31 December 2008.

As at 31 December 2008 balances with the UK Government and affiliated bodies were:

	Central Government (including the Bank of England) £'000	Total £'000
Liabilities		
Current tax payable	22,184	22,184
VAT creditor	8	8

The net amounts due from and to other Group entities are as follows:

	2008 £'000	2007 £'000
Amounts due from:		
The Royal Bank of Scotland Group plc	35,503	31,773
Amounts due to:		
The Royal Bank of Scotland Group plc	(2,846)	(3,064)

THE ONE ACCOUNT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

17. PARENT COMPANIES

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

The Company's immediate parent company and the smallest subgroup into which the Company is consolidated is The Royal Bank of Scotland plc, a company incorporated in Great Britain and registered in Scotland. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ.

18. SEGMENTAL REPORTING

All of the Company's business is transacted within the United Kingdom. The Directors consider the marketing and administration of flexible and current account mortgages to be a single class of business.

19. POST BALANCE SHEET EVENTS

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