

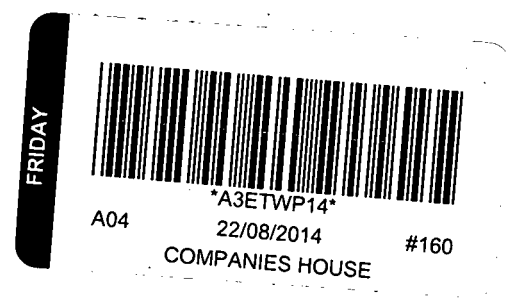
Company Registered No: 03414708

THE ONE ACCOUNT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2013

**RBS Secretariat
The Royal Bank of Scotland Group plc
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ**



REPORTS AND FINANCIAL STATEMENTS 2013

of The One Account Limited

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of The One Account Limited

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STRATEGIC REPORT

The director of The One Account Limited (the "Company") presents their report and the audited financial statements for the year ended 31 December 2013.

ACTIVITIES AND BUSINESS REVIEW**Activity**

The principal activity of the Company continues to be earning of income from intellectual property rights associated with The One Account brand.

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 director believes that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of the Group review these matters on a group basis. Copies can be obtained from RBS Secretariat, The Royal Bank of Scotland Group plc, PO Box 1000, Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or through the Group's website at www.rbs.com.

Review of the year**Business review**

The director is satisfied with the Company's performance in the year. The Company will be guided by its shareholders in seeking further opportunities for growth.

Financial performance

The Company's financial performance is presented on pages 8 to 10.

Income decreased by £948k (2012: £177,720k) and expenses decreased by £496k (2012: £13,018k). The profit for the year was £9,688k (2012: £9,882k) a decrease of 2% over 2012.

A dividend of £106,000k (2012: £135,000k) was paid on 17 September 2013. No further dividend is proposed in respect of 2013.

At the end of the year, the balance sheet showed total assets of £52,186k (2012: £148,740k). Total shareholders' funds were £48,148k (2012: £144,460k).

Principal risks and uncertainties

The Company seeks to minimise its exposure to financial risks other than equity and credit risk.

Management focuses on both the overall balance sheet structure and the control, within prudent limits, of risk arising from mismatches, including currency, maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the RBS Group Asset and Liability Management Committee (GALCO).

The Company is funded by facilities from the Group. These are denominated in the functional currency and carrying no significant financial risk.

The Company's assets mainly comprise amounts due from Group undertakings which would not expose it to any significant risks.

Interest rate risk

Structural 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, and limiting any re-pricing mismatches.

STRATEGIC REPORT (continued)**ACTIVITIES AND BUSINESS REVIEW (continued)*****Principal risks and uncertainties (continued)*****Liquidity risk**

Liquidity risk arises where assets and liabilities have different contractual maturities.

Management focuses on both overall balance sheet structure and the control, within prudent limits, of risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations. It is undertaken within limits and other policy parameters set by GALCO.

Credit risk

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

The Company's exposure to credit risk is not considered to be significant as the credit exposures are with Group companies.

Going concern

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

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 Strategic Report, Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, and 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 or loss of the Company for that period. 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 Financial Reporting Standard 101 has been followed; 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 strategic report, 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 AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

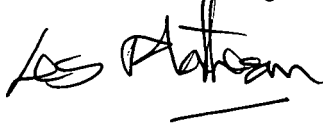
This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

STRATEGIC REPORT (continued)

DIRECTORS' INDEMNITIES

The Royal Bank of Scotland Group plc has indemnified the director under the qualifying third party terms.

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

A handwritten signature in black ink, appearing to read 'L D Matheson', with a horizontal line underneath.

L D Matheson
Director
Date: 21 August 2014

DIRECTORS' REPORT

The strategic report includes the review of the year and principal risks and uncertainties report.

DIRECTORS AND SECRETARY

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

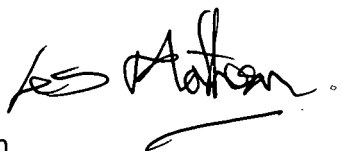
From 1 January 2013 to date the following changes have taken place:

Officer	Appointed	Resigned
D J Putnam (Secretary)		21 June 2013
G L McIntyre (Secretary)	21 June 2013	
F L Davis		30 June 2014

AUDITOR

Deloitte LLP has expressed its willingness to continue in office as auditor.

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



L D Matheson
Director
Date: 21 AUG 2014

INDEPENDENT AUDITOR'S 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 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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 (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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

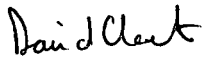
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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



David Claxton, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
Glasgow
United Kingdom
21 August 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

		2013 £'000	2012 £'000
Income from continuing operations	Notes		
Interest receivable		590	1,543
Net interest income	3	590	1,543
Other operating income	4	12,005	12,000
Non-interest income		12,005	12,000
Total income		12,595	13,543
Operating expenses	5	(22)	(518)
Profit on ordinary activities before tax		12,573	13,025
Tax charge	7	(2,885)	(3,143)
Profit and total comprehensive income for the year		9,688	9,882

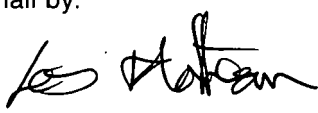
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
 as at 31 December 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Amounts due from Group undertakings	9	18,221	131,985
Prepayments, accrued income and other assets	10	5	-
Cash at bank		33,960	16,755
Total assets		52,186	148,740
Creditors: amounts falling due within one year			
Amounts due to Group undertakings	11	646	259
Current tax liability		3,099	3,497
Accruals, deferred income and other liabilities	13	30	47
		3,775	3,803
Creditors: amounts falling due after more than one year			
Deferred tax liability	12	263	477
Total liabilities		4,038	4,280
Equity: capital and reserves			
Called up share capital	14	44,400	44,400
Profit and loss account		3,748	100,060
Total shareholders' funds		48,148	144,460
Total liabilities and shareholders' funds		52,186	148,740

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 21 AUGUST 2014 and signed on its behalf by:


 L D Matheson
 Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2013

	Notes	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2012		44,400	225,178	269,578
Profit for the year		-	9,882	9,882
Dividends paid	8	-	(135,000)	(135,000)
At 31 December 2012		44,400	100,060	144,460
Profit for the year		-	9,688	9,688
Dividends paid	8	-	(106,000)	(106,000)
At 31 December 2013		44,400	3,748	48,148

Total comprehensive income for this year of £9,688k (2012: £9,882k) was wholly attributable to the owners of the Company.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Preparation and presentation of accounts**

These financial statements have been prepared on a going concern basis and in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS) and under Financial Reporting Standard 101 (Reduced Disclosure Framework) ("FRS 101"). The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group financial statements of the Group, these financial statements are available to the public and can be obtained as set out in note 17.

The financial statements are prepared on the historical cost basis. Historical cost is based on the fair-value of the consideration exchanged on initial recognition.

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

The Company is incorporated in the UK and registered in England and Wales. The Company's financial statements are presented in accordance with the Companies Act 2006.

There are a number of IFRSs that were effective from 1 January 2013. They have had no material effect on the Company's financial statement for the year ended 31 December 2013.

b) Revenue recognition

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

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 price is usually fixed and always determinable.

c) Taxation

Income tax expense or income, comprising current tax and deferred tax, is recorded in the profit and loss account 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. Accounting policies (continued)****c) Taxation (continued)**

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

d) Financial assets

On initial recognition, financial assets are classified as loans and receivables.

Loans and receivables

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables. 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 (see accounting policy 1(b)) less any impairment losses.

e) 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. Financial assets are 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.

f) Financial liabilities

On initial recognition financial liabilities are classified as held at amortised cost and measured using the effective interest method (see accounting policy 1(b)).

g) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when it has been transferred and the transfer qualifies for derecognition.

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

2. Critical accounting policies and key sources of estimation uncertainty

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 or interpretation, 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.

3. Net interest income

	2013	2012
	£'000	£'000
Interest receivable	<u>590</u>	<u>1,543</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Other operating income

	2013 £'000	2012 £'000
Fees and commissions receivable	12,000	12,000
Other Income	5	-
	<u>12,005</u>	<u>12,000</u>

Other operating income is principally attributable to the fees paid by RBS plc to the Company for the intellectual property rights associated with The One Account brand.

Prior to 2012 income was principally derived from the margin between interest paid by customers on their bank accounts and the funding cost of the assets which was required to match the customer balances. However the SLA between RBS plc and the Company was re-negotiated in 2012 and as a result all income associated with the mortgage book is now retained by RBS plc.

Revenue represents contractual fee income received from RBS plc.

5. Operating expenses

	2013 £'000	2012 £'000
Depreciation of tangible fixed assets	-	82
Other administration expenses	22	9
Loss on disposal of plant and equipment	-	427
	<u>22</u>	<u>518</u>

6. Profit before tax

Profit before tax is stated after charging:

	2013 £'000	2012 £'000
Auditor's remuneration – audit services	5	5

Staff costs, number of employees and directors' emoluments

All staff and directors were employed by the Group; 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 (2012: none). The directors of the Company do not receive remuneration for specific services provided to the Company.

7. Taxation

	2013 £'000	2012 £'000
Current taxation:		
UK corporation tax charge for the year	3,099	3,496
Deferred taxation:		
Credit for the year	(214)	(353)
Tax charge for the year	<u>2,885</u>	<u>3,143</u>

The actual tax charge differs from the expected tax charge computed by applying the blended UK corporation tax rate of 23.25% (2012: 24.5%) as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Taxation (continued)

	2013 £'000	2012 £'000
Profit for the year before tax	12,573	13,025
Expected tax charge	2,923	3,191
Reduction in deferred tax liability following change in rate of UK Corporation tax	(38)	(48)
Actual tax charge for the year	2,885	3,143

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted in July 2013 now standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The closing deferred tax assets and liabilities have been calculated at 20% in accordance with the rates enacted at the balance sheet date.

8. Ordinary dividends

	2013 £'000	2012 £'000
Dividends paid	106,000	135,000

Dividends of £106,000k have been paid during the year (2012: £135,000k).

9. Amounts due from Group undertakings

	2013 £'000	2012 £'000
Parent : RBS plc	18,221	131,985

10. Prepayments, accrued income and other assets

	2013 £'000	2012 £'000
Accrued income	5	-

11. Amounts due to Group undertakings

	2013 £'000	2012 £'000
Parent : RBS plc	646	259

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Deferred tax

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

	Accelerated capital allowances £'000	IFRS transition £'000	Total £'000
At 1 January 2012	8	(838)	(830)
Credit to Profit and Loss Account	93	260	353
At 31 December 2012	101	(578)	(477)
Credit to Profit and Loss Account	(29)	243	214
At 31 December 2013	72	(335)	(263)
		2013 £'000	2012 £'000
Deferred tax liabilities		263	477

13. Accruals, deferred income and other liabilities

	2013 £'000	2012 £'000
Trade payables	25	31
Accruals	5	5
Other liabilities	-	11
	30	47

14. Share capital

	2013 £'000	2012 £'000
Equity shares		
Allotted, called up and fully paid:		
44,400,001 Ordinary Shares of £1	44,400	44,400

The Company has one class of Ordinary Shares which carry no right to fixed income.

15. Capital resources

The Company's capital consists of equity comprising issued share capital and retained earnings. The Company is a member of The Royal Bank of Scotland group of companies which has regulatory disciplines over the use of capital. In the management of capital resources, the company is governed by the group's policy which is to maintain a strong capital base: it is not separately regulated. The group has complied with the Prudential Regulation Authority's capital requirements throughout the year.

16. Commitment and contingent liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Related parties**UK Government**

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

The Company enters into transactions with these bodies on an arms' length basis; they consist of corporation tax and VAT.

Group undertakings

The Company's immediate parent company is The Royal Bank of Scotland plc ('RBS plc'), a company incorporated in the UK and registered in Scotland. As at 31 December 2013, RBS plc heads the smallest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from RBS Secretariat, The Royal Bank of Scotland Group plc, PO Box 1000, Gogarburn, Edinburgh, EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, which is incorporated in Great Britain and registered in Scotland. As at 31 December 2013, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from RBS Secretariat, The Royal Bank of Scotland Group plc, PO Box 1000, Gogarburn, Edinburgh, EH12 1HQ.