RBS FX Notes (Series DPM USD) Limited

Financial statements
For the six months ended 30 June 2012

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RBS FX Notes (Series DPM USD) Limited

Directors, officers and other information

Directors of the Company	Roderick M. Forrest Nicholas J. Hoskins
Registered office	Victoria Place 31 Victoria Street Hamilton HM 10 Bermuda
Guarantor	The Royal Bank of Scotland N.V. 250 Bishopsgate London EC2M 4AA United Kingdom
Administrator, registrar, company secretary and transfer agent	Custom House Global Fund Services Limited Tigne Towers Tigne Street Sliema, SLM 3172 Malta
Payment bank	*(from May 2012)* The Royal Bank of Scotland International Limited Royal Bank House, 2 Victoria St Douglas, Isle of Man IM99 1NJ United Kingdom *(until May 2012)* First Caribbean Bank De Ruyterkade 61 P.O. Box 3144 Curacao Netherlands Antilles
Auditors	Doran & Associates 4th Floor, Crescent House Harstonge Street Limerick Ireland
Legal advisor	MQ Services Ltd Victoria Place, 1st Floor 31 Victoria Street Hamilton HM 10 Bermuda

RBS FX Notes (Series DPM USD) Limited

Directors' report

The directors present the financial statements of RBS FX Notes (Series DPM USD) Limited (the "Company") for the six months ended 30 June 2012.

Principal activities and business review

The Company is a limited liability company incorporated under the laws of Bermuda and registered as a segregated accounts company in accordance with the Segregated Accounts Companies Act 2000 (the "SAC Act"). The objective of the company was to achieve medium-term capital gains in the net asset value of the Company, to be achieved through investing the proceeds of the issue of the Notes in shares of Prime Investments Managed Account Master Limited (the "Master Company"). The Master Company was incorporated in Bermuda on 24 September 2003 with limited liability and registered as a segregated accounts company under the SAC Act.

The Company invested substantially all of the proceeds of the Notes in the Class E Shares issued by the Master Company. The objective of the Master Company in respect of the Class E Shares was to achieve medium-term capital gains in the net asset value through the implementation of a quantitatively driven currency investment process. In June 2009, the Company redeemed out of the Class E shares of the Master Company on occurrence of a stop trading trigger event. The Notes of the Company matured on 7 June 2012. On maturity, the net asset value of the Notes was below the face value. Accordingly the Guarantor made a contribution to the Company in order to restore the net asset value to the face value of the Notes. The Notes were redeemed at a net asset value of US$1.00 for dealing day 8 June 2012.

Future developments

Following the maturity of the notes, the directors intend to liquidate the Company.

Principal risks and uncertainties

The principal risks and uncertainties, including details of the Company's risk management objectives and policies and exposure to price risk, credit risk, liquidity risk and cash flow risk are disclosed in note 13 to the financial statements.

Roderick M. Forrest - Director

Nicholas J. Hoskins - Director

30 December 2012

RBS FX Notes (Series DPM USD) Limited

Statement of directors' responsibilities

The directors have assumed responsibility for the preparation of the financial statements. In preparing those financial statements, the directors:

- ensure that the financial statements comply with the Memorandum and Articles of Association and International Financial Reporting Standards subject to any material departures disclosed and explained in the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are also required to keep proper accounting records and to manage the company in accordance with its private placing memorandum and articles of association. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The Company is subject to Bermudan statute in the form of the Segregated Accounts Companies Act 2000, in addition to the listing requirements of NYSE Euronext Amsterdam and the Netherlands Act on Financial Supervision 2006.

Responsibility statement
The directors confirm that to the best of their knowledge:

- The financial statements give a true and fair view of the assets, liabilities, financial position and the loss for the period of the Company in accordance with International Financial Reporting Standards; and
- The directors' report gives a true and fair view of the state of affairs of the Company as at 30 June 2012, the course of business during the financial period then ended, and describes the substantial risks with which the Company is confronted.

Roderick M. Forrest - Director

Nicholas J. Hoskins - Director

20 December 2012

Independent auditors' report

To the noteholders of
RBS FX Notes (Series DPM USD) Limited

We have audited the accompanying statement of financial position of the RBS FX Notes Series DPM USD Limited, (the "Company") as at 30 June 2012 and the related statement of comprehensive income, statement of changes in net assets attributable to noteholders and statement of cash flows for the period then ended, and notes 1 - 20 to the financial statements.

Directors' responsibility for the financial statements
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it. Our responsibilities do not extend to any other information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion
We were not able to confirm the identity of the guarantee claims agent. We have been unable to establish which entity if any is performing the role. Accordingly, we are unable to conclude as to the validity and completeness of the claim agent fee expense and associated payable.

To the noteholders of
RBS FX Notes (Series DPM USD) Limited

Qualified opinion

In our opinion, except for the possible effects of the matter described above, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2012 and of the Company's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

Doran and Associates

Doran and Associates

20 December 2012

RBS FX Notes (Series DPM USD) Limited

Statement of financial position
as at 30 June 2012

	Note(s)	30 June 2012 US$	31 December 2011 US$
Assets			
Cash and cash equivalents	*4*	**99,134**	5,365
Investments in debt instruments	*13*	-	217,329
Other receivables and prepaid expenses		-	-
Total assets		**99,134**	222,694
Liabilities			
Other payables and accruals	*5,9*	**67,390**	38,371
Liquidation costs payable	*10*	**16,000**	-
Administration fee payable	*6*	**15,744**	7,184
Guarantee fee payable	*5*	-	2,862
Total liabilities (excluding net assets attributable to noteholders)		**99,134**	48,417
Net assets attributable to noteholders		-	174,277
Net asset value per Note			
Number of Notes in issue	*11*	-	209,407
Net asset value per Note		-	US$0.8322

The financial statements set out on pages 6 to 23 were approved by the Board of Directors on 20 December 2012 and signed on its behalf by:

Roderick M. Forrest – Director

Nicholas J. Hoskins – Director

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

RBS FX Notes (Series DPM USD) Limited

Statement of comprehensive income
for the six months ended 30 June 2012

	Note	**2012** **US$**	**2011** **US$** *(Note 17)*
Investment income			
Movement in investments held at fair value through profit or loss		**(3,168)**	1,668
Other income	*5*	**94,753**	-
Total investment income		**91,585**	1,668
Expenses			
Liquidation costs	*10*	**16,000**	-
Audit fees	*9*	**13,843**	18,003
Corporate secretarial fees	*6*	**10,500**	10,606
Administration fees	*6*	**6,250**	28,889
Claim agent fees	*8*	**3,125**	7,500
Other operating expenses		**2,658**	2,197
Professional fees		**2,519**	4,393
Bank charges		**478**	2,699
Guarantee fees	*5*	**1,082**	2,762
Total expenses		**56,455**	77,049
Change in net assets attributable to noteholders from operations		**35,130**	(75,381)

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

RBS FX Notes (Series DPM USD) Limited

Statement of changes in net assets attributable to noteholders
for the six months ended 30 June 2012

	2012 US$	2011 US$ *(Note 17)*
Operating activities		
Change in net asset attributable to noteholders from operations	**35,130**	(75,381)
Redemption of notes during the period	**(209,407)**	(26,249)
Decrease in net assets attributable to noteholders during the period	**(174,277)**	(101,630)
Net assets attributable to noteholders at the beginning of the period	**174,277**	275,907
Net assets attributable to noteholders at the end of the period	**-**	174,277

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

RBS FX Notes (Series DPM USD) Limited

Statement of cash flows
for the six months ended 30 June 2012

	2012 US$	2011 US$ *(Note 17)*
Cash flows from operating activities		
Change in net assets attributable to noteholders from operations	**35,130**	(75,381)
Changes in operating assets and liabilities		
Decrease in investment in debt instrument	**217,329**	27,460
Decrease in other receivables and prepaid expenses	**-**	2,015
(Decrease)/increase in total fees payable	**50,717**	(133,203)
Net cash used in operating activities	**303,176**	(179,109)
Financing activities		
Payments on redemption of notes	**(209,407)**	**(26,249)**
Net cash used in financing activities	**(209,407)**	**(26,249)**
Net decrease in cash and cash equivalents	**93,769**	(205,358)
Cash and cash equivalents at beginning of period	**5,365**	210,723
Cash and cash equivalents at end of period	**99,134**	5,365

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

1 Company information

RBS FX Notes (Series DPM USD) Limited, formerly ABN Amro FX Notes (Series DPM USD) Limited, (the "Company"), is a limited liability company incorporated under the laws of Bermuda and registered as a segregated accounts company in accordance with the Segregated Accounts Companies Act 2000 (the "SAC Act"). The Company maintains its registered office in Bermuda.

The objective of the company was to achieve medium-term capital gains in the net asset value of the Company, to be achieved through investing the proceeds of the issue of the Notes in shares of Prime Investments Managed Account Master Limited (the "Master Company"). The Master Company was incorporated in Bermuda on 24 September 2003 with limited liability and registered as a segregated accounts company under the SAC Act.

The Company invested substantially all of the proceeds of the Notes in the Class E Shares issued by the Master Company. The objective of the Master Company in respect of the Class E Shares was to achieve medium-term capital gains in the net asset value through the implementation of a quantitatively driven currency investment process. The Master Company had multiple additional share classes.

In June 2009, the Company redeemed out of the Class E shares of the Master Company on occurrence of a stop trading trigger event. The Notes of the Company matured on 7 June 2012. On maturity, the net asset value of the Notes was below the face value. Accordingly the Guarantor made a cash contribution to the Company in order to restore the net asset value to the face value of the Notes. The Notes were redeemed at a net asset value of US$1.00 for dealing day 8 June 2012.

Royal Bank of Scotland N.V., formerly ABN Amro Bank N.V., (the "Guarantor") acted as Guarantor to the Company. The role of the Guarantor is detailed in Note 11. Custom House Global Fund Services Limited (the "Administrator") acts as administrator of the Company.

At 30 June 2012, the Company had no employees.

The Notes of the Company were listed on NYSE Euronext Amsterdam. The home member state to whose transparency laws the Company is subject is The Netherlands. The competent authority responsible for the ongoing supervision of the Company was The Netherlands Authority for the Financial Markets ("AFM").

Following maturity of the Notes, this is the final set of financial statements to be filed with the AFM. The Directors intend to liquidate the Company following approval of the financial statements.

The financial statements were approved by the Board of Directors on 20 December 2012.

2 Significant accounting policies

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by International Accounting Standards Board ("IASB"). The accounting policies have been applied consistently by the Company and are consistent with those used in the previous year, except for changes resulting from amendments to IFRS.

2 Significant accounting policies

(b) Basis of preparation
The financial statements are presented in the functional currency of the Notes, being US Dollars ("US$"), and rounded to the nearest US$.

The Notes of the Company matured on 7 June 2012. Following the maturity of the Notes the directors intend to liquidate the Company. Accordingly the financial statements have not been prepared on a going concern basis. All liabilities have been accrued, including liquidation costs, and the assets of the Company are stated at net realisable value.

(c) Investment transactions and valuations

(i) Measurement and recognition
In accordance with IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"), all of the Company's investments in debt instruments were designated as at fair value through profit or loss upon initial recognition. Such treatment is permitted where financial assets are managed and their performance evaluated on a fair value basis.

Under IAS 39, derivatives are always classified as held for trading.

All other financial assets not designated as at fair value through profit or loss are classified as loans and receivables and are carried at net realisable value

Financial liabilities that are not designated as at fair value through profit or loss comprise of management fees payable and all other liabilities. These are carried at amortised cost using the effective interest rate method.

The Company recognised financial assets at fair value through profit or loss on the date it commited to purchase the instruments. From this date any gains and losses arising from the changes in fair value of the assets and liabilities were recorded. Financial instruments were initially measured at fair value, which is the fair value of the consideration given or received. Financial instruments were subsequently re-measured at fair value.

The fair value of listed financial instruments was based on their quoted market price at the reporting date without any deduction for estimated future selling costs. Pricing was based on quoted bid prices for long securities and quoted offer prices for short securities and if unavailable, by reference to the last reported traded price. For unlisted securities, valuation was estimated by reference to prices obtained from brokers and other pricing sources. The fair value of the debt instruments was determined by reference to prices provided by the Guarantor, which calculated the cancellation value based on the contractual terms of the instruments.

The value of cash in hand or on deposit and accounts receivable and prepaid expenses will be deemed to be the full amount unless it is unlikely to be paid or received in full.

Gains and losses arising from a change in the fair value of investments designated at fair value through profit or loss are recognised in the statement of comprehensive income.

2 Significant accounting policies *(continued)*

(c) Investment transactions and valuations *(continued)*

(ii) Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. The Company uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(d) Receivables
Receivables are stated at their net realisable value.

(e) Foreign currency translation
Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US$ at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to US$ at the foreign currency exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to movement in investments at fair value through profit or loss are included in movement in investments held at fair value through profit or loss.

(f) Interest income and expense
Interest income and expenses are recognised in the statement of comprehensive income as they accrue, using the historical effective interest rate of the asset. Interest income includes the amortisation of any discount or premium, transaction costs (in the case of financial instruments other than those classified at fair value through profit or loss) or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income and expense related to held for trading investments, if any, is included in movement in investments held at fair value through profit or loss.

(g) Expenses
All expenses are recognised in the statement of comprehensive income on an accruals basis.

(h) Cash and cash equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

2 Significant accounting policies *(continued)*

(i) Taxation
The Company and the Master Company have obtained from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, as amended, an undertaking that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 28 March 2016 be applicable to the Company and the Master Company or to any of their operations or to the shares, debentures or other obligations of the Company and the Master Company, except in so far as such tax applies to persons ordinarily resident in Bermuda.

(j) New and amended standards and interpretations
There are no new or amended standards or interpretations adopted with effect from 1 January 2012 that have a significant impact on the financial statements.

A number of new standards, amendments to standards and interpretations that have been issued to date are not yet effective for the financial statements of the Company for the period ended 30 June 2012, and have not been applied or early adopted in preparing these financial statements. These financial statements are the final set to be approved and filed.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

A key judgement relates to the basis of preparation as detailed in note 2(b). Following the maturity of the Notes the directors intend to liquidate the Company. Accordingly the financial statements have not been prepared on a going concern basis. All liabilities have been accrued, including liquidation costs, and the assets of the Company are stated at net realisable value.

4 Cash and cash equivalents

Unrestricted bank balances held with Royal Bank of Scotland International at 30 June 2012 amounted to US$99,134 (2011: US$5,365).

In January 2012 the Company’s payment bank, First Caribbean Bank, froze all payments from the Company’s bank account. First Caribbean Bank took this action following an internal audit which revealed that it did not hold the necessary due diligence documentation on the Company. The Directors of the company wrote to shareholders advising them of a potential delay in the payment of redemptions. In May 2012 the account was unfrozen and the Company transferred its account to Royal Bank of Scotland International.

5 Guarantee fees

Royal Bank of Scotland N.V., formerly ABN Amro Bank N.V., acted as Guarantor in respect of the notes. The Company paid a Guarantee fee to the Guarantor on a quarterly basis at a rate of 1.25% per annum on the greater of the number of Notes in issue, and the net asset value.

The amounts in respect of Guarantee fees charged during the period and outstanding at the reporting date are disclosed in the statement of comprehensive income and within other payables in the statement of financial position, respectively.

As detailed in note 1, the Notes of the Company matured on 7 June 2012. On maturity, the net asset value of the Notes was below the face value. Accordingly the Guarantor made a contribution to the Company in order to restore the net asset value to the face value of the Notes. This contribution has been recognised as other income in the statement of comprehensive income.

Included within other payables and accruals is an amount of US$5,190 which is payable to the Guarantor. This represents the surplus net assets at 30 June 2012. Any surplus on liquidation is payable to the Guarantor as it represents an over-payment in respect of the guarantee.

6 Administration and corporate secretarial fees

Under the terms of the administration agreement dated 05 August 2010 with an effective date of 01 January 2009, the Company appointed Custom House Global Fund Services Limited as the administrator of the Company.

The Company pays the administrator’s fees annually in arrears in the amount of 0.1% of the net asset value of the Company. The agreement makes provision for a minimum annual administration fee equal to $12,500, which applies from 1 January 2010.

In addition, the administrator is entitled to charge EUR 4,000 or currency equivalent per annum for the preparation of the financial statements of the Company. No amounts were accrued for the years ending 31 December 2009 and 2010, and accordingly a total fee of US$16,389 was charged in the year ended 31 December 2011, representing the total fee for the years ended 31 December 2009, 2010 and 2011.

Under the terms of the corporate secretarial services agreement dated 6 May 2004, MQ Services Limited provides corporate secretarial services to the Company. The minimum annual fee for such services is US$10,500.

The amounts in respect of Administration and Corporate secretarial fees charged during the period and outstanding at the reporting date are disclosed in the statement of comprehensive income and the statement of financial position, respectively.

7 Directors' fees

The directors of the Company reserve the right to charge all or any of their reasonable fees and expenses to the Company, subject to an annual limit of US$5,000 (or equivalent).

8 Claim agent fees

During the six months ended 30 June 2012, claim agent fees were charged to the Company of US$3,125 (2011: US$7,500).

9 Other operating expenses

Other operating expenses include transactions fees and commissions as well as regulatory fees and other incidental expenses. Audit fees for the company in respect of the six months ended 30 June 2012 amount to US$13,843 (2011: US$18,003). Audit fees payable are included within other payables and accruals in the statement of financial position.

10 Liquidation expenses

Following the maturity of the Notes the directors intend to liquidate the Company. Accordingly all liabilities have been accrued, including liquidation costs. The accrued liquidation costs are as follows:

	30 June 2012
	US$
Liquidation costs payable to the trustee	**3,000**
Liquidation costs payable to the administrator	**3,500**
Liquidation costs payable to the MQ Services Ltd	**9,500**
	16,000

11 Notes

The Company offered one class of Notes denominated in US$.

The offering amount was US$50million, with a minimum subscription on the issue date of US$20million per investor, or such other amounts as the Company may determine with the prior written approval of the Guarantor. The issue price of the notes was US$0.99 per Note.

The Notes were guaranteed by the London Branch of the Royal Bank of Scotland N.V. in respect of 100% of the face value of each Note. The guarantees were only available in respect of the Notes outstanding as at the maturity date and were not applicable to any Notes which are redeemed prior to the maturity date.

Each Note constituted unsubordinated and unsecured obligations of the relevant Note Account of the Company and at all times ranked pari passu and without preference amount themselves.

The Notes of the Company matured on 7 June 2012. On maturity, the net asset value of the Notes was below the face value. Accordingly the Guarantor made a cash contribution to the Company in order to restore the net asset value to the face value of the Notes. The Notes were redeemed at a net asset value of US$1.00 for dealing day 8 June 2012.

Movement in the number of Notes in issue for the six months ended 30 June 2012 was as follows:

Share class	Notes at beginning of the period	Notes issued	Notes redeemed	Notes at end of the period
Notes	209,407	-	(209,407)	-

Movement in the number of Notes in issue for the year ended 31 December 2011 was as follows:

Share class	Notes at beginning of the year	Notes issued	Notes redeemed	Notes at end of the year
Notes	237,407	-	(28,000)	209,407

12 Share Capital

The Company was incorporated on 6 May 2004 in Bermuda with limited liability under Bermuda Law. An aggregate of 1,200,000 ordinary shares with a par value of US$0.01 per share were issued by the Company. The ordinary shares are owned by RBS FX Notes (Series DPM-USD) Purpose Trust, (the “Trust”), a Bermudan purpose trust, as share trustee. The ordinary shares carry 100% of the voting rights. The Trust has foregone all rights to the assets of the Company other than to the nominal value of the 1,200,000 voting shares.

There were no movements in ordinary shares in issue during the six months ended 30 June 2012 or the year ended 31 December 2011.

13 Financial instrument disclosures and associated risks

The objective of the Company via its investment in the Master Company was to achieve medium-term capital gains in the net asset value of the funds through the implementation of a quantitatively driven currency investment process. In June 2009, the Company redeemed out of the Class E funds of the Master Company on occurrence of a stop trading trigger event. The Notes of the Company matured on 7 June 2012.

The Company is exposed to market risk, credit risk and liquidity risk arising from the financial instruments it holds. The nature and extent of the risks at the reporting date and the risk management policies employed by the Company are discussed below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk.

Market risk is the risk that changes in interest rates, foreign exchange rates or other prices will affect the positions held by the Company. All financial assets and liabilities designated at fair value are measured at fair value and therefore changes in market conditions may directly affect investment income. In June 2009, the Company redeemed out of the Class E funds of the Master Company on occurrence of a stop trading trigger event. The Notes of the Company matured on 7 June 2012.

(i) Currency risk

The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company’s assets or liabilities denominated in currencies other than US$. At 30 June 2012 and 31 December 2011, the Company has no material exposure to currency risk.

13 Financial instrument disclosures and associated risks *(continued)*

(a) Market risk *(continued)*

(ii) Interest rate risk

A portion of the Company's financial assets throughout the period consisted of cash and cash equivalents. These assets yield an amount of interest income and therefore the Company is subject to a degree of cash flow interest rate risk, due to fluctuations in the prevailing levels of market interest rates.

The Company also invested in zero-coupon deposits. As a result the Company was subject to fair value interest rate risk due to fluctuations in the prevailing rate of market interest rates impacting on the fair value of the investments in debt instruments.

The following table details the Company's exposure to cash flow interest rate risks at 30 June 2012. It includes the Company's assets and liabilities at their carrying amounts, categorised by the earlier of the contractual re-pricing or maturity date.

All amounts stated in US$	Less than 1 month	1 month to 1 year	Non-interest bearing	Total
Assets				
Cash and cash equivalents	99,134	-	-	99,134
Total assets	**99,134**		**-**	**99,134**

	Less than 1 month	1 month to 1 year	Non-interest bearing	Total
Liabilities excluding net assets attributable to noteholders				
Other payables and accruals	-	-	67,390	67,390
Liquidation costs payable	-	-	16,000	16,000
Administration fee payable	-	-	15,744	15,744
Total liabilities	**-**	**-**	**99,134**	**99,134**
Total interest sensitivity gap	**99,134**	**-**		

13 Financial instrument disclosures and associated risks *(continued)*

(a) Market risk *(continued)*

(ii) Interest rate risk (continued)

The following table details the Company's exposure to cash flow interest rate risks at 31 December 2011. It includes the Company's assets and liabilities at their carrying amounts, categorised by the earlier of the contractual re-pricing or maturity date.

All amounts stated in US$	**Less than 1 month**	**1 month to 1 year**	**Non-interest bearing**	**Total**
Assets				
Investments in debt instruments	-	-	217,329*	217,329
Cash and cash equivalents	5,365	-	-	5,365
Total assets	**5,365**	**-**	**217,329**	**222,694**
Liabilities excluding net assets attributable to noteholders				
Other payables and accruals	-	-	38,371	38,371
Administration fee payable	-	-	7,184	7,184
Guarantee fee payable	-	-	2,862	2,862
Total liabilities	**-**	**-**	**48,417**	**48,417**
Total interest sensitivity gap	**5,365**	**-**		

*Investment in debt instruments are classified as non-interest bearing as they are zero coupon deposits and there is no cash flow interest rate risk.

Interest rate sensitivity

As the Company is not exposed to a material amount of cash flow interest rate risk, a sensitivity analysis is not presented.

(iii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

On the occurrence of a stop trading trigger event, the Company had invested in debt instruments with a risk profile consistent with the Company's objective of capital preservation. As such the Company is not exposed to a significant amount of price risk as at 30 June 2012 and 31 December 2011. The Notes of the Company matured on 7 June 2012.

13 Financial instrument disclosures and associated risks *(continued)*

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

In January 2012 the Company's payment bank, First Caribbean Bank, froze all payments from the Company's bank account. First Caribbean Bank took this action following an internal audit which revealed that it did not hold the necessary due diligence documentation on the Company. The Directors of the company wrote to shareholders advising them of a potential delay in the payment of redemptions. In May 2012 the account was unfrozen and the Company transferred its account to Royal Bank of Scotland International. At 30 June 2012, the Company therefore has a credit risk exposure to Royal Bank of Scotland International. The credit rating of Royal Bank of Scotland International is A- as determined by Standard and Poor's.

The carrying amount of financial assets best represents the maximum credit risk exposure at the reporting date:

	30 June 2012	**31 December 2011**
	US$	**US$**
Cash balances held on deposit with payment bank	**99,134**	5,365
Investments in debt instruments	**-**	217,329
	99,134	222,694

(c) Liquidity risk

The Company's offering document provides for the redemption of Notes and it is therefore exposed to the liquidity risk of meeting noteholder redemptions. The Company's redemption policy allowed for redemptions on the last day of each month and noteholders must provide variable notice of between 10 and 45 business days depending on the face value of the notes being redeemed. The Notes of the Company matured on 7 June 2012 and were redeemed for 8 June 2012 dealing day.

At 30 June 2012, the Company holds sufficient cash to meet its accrued liabilities.

The following table shows the remaining contractual, undiscounted cash flows of the Company's liabilities at 30 June 2012.

All amounts stated in US$	**Less than 1 month**	**1-3 months**	**3 months to 1 year**	**No stated maturity**
Financial liabilities				
Other payables and accruals	67,390	-	-	-
Liquidation costs payable	16,000	-	-	-
Administration fee payable	15,744	-	-	-

13 Financial instrument disclosures and associated risks *(continued)*

(c) Liquidity risk *(continued)*
The following table shows the remaining contractual, undiscounted cash flows of the Company's liabilities at 31 December 2011.

All amounts stated in US$	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity
Other payables and accruals	38,371	-	-	-
Administration fee payable	7,184			
Guarantee fee payable	2,862	-	-	-
Net assets attributable to noteholders	174,277	-	-	-

14 Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 June 2012, the Company held no financial assets or liabilities at fair value.

Fair value measurements for the year ended at 31 December 2011 were as follows:

	Total US$	Level 1 US$	Level 2 US$	Level 3 US$
Assets				
Financial assets designated at fair value through profit or loss				
Investment in debt instruments	217,329	-	217,329	-
	217,329	**-**	**217,329**	**-**

14 Fair value measurements recognised in the statement of financial position *(continued)*

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment.

There were no transfers between level 1 and level 2 in the period.

Valuation methods
All of the Company's investments in debt instruments are carried at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The major methods and assumptions used in estimating the fair values of financial instruments are set out below.

Investment in debt instruments
The fair value of the debt instruments is determined by reference to prices provided by the Guarantor, which calculates the cancellation value based on the contractual terms of the instruments. The Company's investment in debt instruments is therefore categorised in level 2 of the fair value hierarchy.

15 Related party transactions

Royal Bank of Scotland N.V. is a related party of the company and acted as the Guarantor (refer to note 5). From May 2012, the Company holds cash in its bank account at Royal Bank of Scotland International, a related party of the Company.

Directors' fees are disclosed in note 7.

MQ Services Ltd charged corporate secretarial fees to the Company in the period. MQ Services is owned by Wakefield Quin Limited. The Directors of the Company are employees of Wakefield Quin Limited.

There were no other related party transactions.

16 Contingency

The Company is not in compliance with the filing requirements of the Netherlands Authority for the Financial Markets as the financial statements for the prior and current period were not filed according to the specified deadlines. Accordingly, enforcement action could be taken against the Company at any time, including possible fines.

17 Comparative figures

The current financial statements are for the six months ended 30 June 2012. The comparative figures are for the year ended 31 December 2011.

18 Subsequent events

Following the maturity of the notes, the Directors intend to place the Company into liquidation before the end of 2012.

There were no other material subsequent events which necessitate revision of the figures included in the financial statements.

19 Reconciliation of audited net asset value to net asset value as reported to the noteholders in the calculation of the dealing net asset value

During the audit of the financial statements for the year ended 31 December 2011, certain audit adjustments were identified and actioned. These adjustments related to the effect of audit adjustments brought forward from the year ended 31 December 2010 as well as adjustments related to under-accruals for the year ended 31 December 2011.

As the notes of the Company matured on 7 June 2012, there is no net asset value or net asset value per note reported to noteholders at 30 June 2012.

	31-Dec-11
	US$
Net assets per financial statements	174,277
Effect of audit adjustments brought forward	(13,959)
Audit adjustments in the current year	8,749
Net assets as reported to noteholders at 31 December 2011	169,067

	US$
A reconciliation of the net asset value per note is as follows:	
Net asset value per note as per the financial statements	0.8322
Effect of audit adjustments brought forward	(0.0666)
Audit adjustments in the current year	0.0418
Net asset value per note as reported to noteholders at 31 December 2011	0.8074*

* *the notes of the Company were redeemed on maturity at their face value of US$1.00.*

20 Approval of financial statements

The financial statements were approved by the Board of Directors on 20 December 2012.