RFS (4) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

COMPANY NUMBER: 1319326

RFS (4) LIMITED

YEAR ENDED 31 DECEMBER 2008

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RFS (4) LIMITED

YEAR ENDED 31 DECEMBER 2008

OFFICERS AND PROFESSIONAL ADVISORS

Directors

S Gowler

Secretary

F Schneider

Registered office

Egale House
78 St Albans Road
Watford
Hertfordshire
WD17 1AF

Solicitors

Salans LLP
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4AJ

Auditors

Deloitte LLP
London

The Dırectors hereby submıt theır Report and the accounts for the year ended 31 December 2008

Principal activities and review of the business

RFS (4) Lımıted, (the company) ıs a lımıted company regıstered, ıncorporated and domıcıled ın England and Wales The address of the company's regıstered office ıs on page 1

The company was dormant and dıd not trade durıng the year

Business Review

At the begınnıng of 2007, RFS Lımıted was a joınt venture wıth 50% of ıts ıssued share capıtal beıng held by Capıtal Bank Plc, whose ultımate parent undertakıng ıs HBOS Plc, and 50% by Renault Acceptance Lımıted, a subsıdıary of Renault SA

On 2 July 2007 Renault Acceptance Lımıted purchased the 50% shareholdıng from Capıtal Bank plc wıth the result that from thıs date 100% of the ıssued share capıtal was held by subsıdıarıes of Renault SA

Followıng the share purchase, on 3 July 2007 the trade and assets of the company were transferred to RCI Fınancıal Servıces Lımıted at book value From thıs date the company was dormant

Risk Management

The company was dormant and dıd not trade durıng the year

Performance

The company has conducted ıts actıvıtıes throughout the year ın a satısfactory manner As stated ın the Busıness Revıew, from 3 July 2007 onwards the company was dormant

The company's loss for the financıal year ıs £nıl (2007 £3,760,000)

Results and Dividends

The results for the year are shown ın the Income Statement on page 8 The dırectors do not recommend the payment of a dıvıdend (2007 - £nıl)

Going Concern

As noted above, the busıness was transferred to RCI Fınancıal Servıces Ltd on 3 July 2007 and the company ıs now dormant As a result, ıt ıs the ıntentıon of the dırectors to wınd the company up ın due course As a consequence, the dırectors have not adopted the goıng concern basıs of accountıng ın preparıng these financıal statements

Directors

The Director of the company during the year to 31 December 2008 was -

S Gowler

During the year the Director had no beneficial interest in the share capital of the company or of any of its subsidiaries

Directors' statement as to disclosure of information to auditors

Each of the persons who is a director at the date of the approval of this report, except for the limitations set out in the Directors' preparation of financial statements section, confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Directors' preparation of the financial statements

The directors have prepared the financial statements based on the accounting records made available to them

RFS (4) Limited has traded for many years, operating as a wholly owned subsidiary of RFS Limited, which itself was a wholly owned subsidiary of a joint venture between RAL Limited and Capital Bank RFS (4) Limited has received unqualified audit reports up to and including the December 2006 year end

In the course of 2007, the directors engaged Ernst & Young LLP to assess the trade and assets of the company with a view of RAL Limited buying from Capital Bank the joint venture partner's 50% share of the business

Directors' preparation of the financial statements (continued)

The due diligence mentioned above was completed successfully and based on it, on 2 July 2007 RAL Limited became the sole shareholder of RFS Limited and its subsidiaries, which included RFS (4) Limited On 3 July 2007, the net assets and the trade of RFS (4) Limited were transferred across to another Renault SA subsidiary company, RCI Financial Services Limited RCI Financial Services Limited integrated those net assets and the corresponding accounting balances into its books The balances transferred were validated by the due diligence report received An intercompany balance between RCI Financial Services Limited and RFS (4) Limited was recognized to reflect the value of the net assets transferred RCI Financial Services Limited is in a position to confirm, and has confirmed, this balance to RFS (4) Limited

Subsequently, RCI Financial Services Limited has continued trading and has received unqualified audit reports for 2007 and 2008 statutory accounts The directors see this as proof of the balances transferred from RFS (4) Limited being correctly valued

However in the course of the RFS (4) Limited statutory audit it has been discovered that the nature of the accounting records means that substantive evidence no longer exists following the transfer of the business and the related records to the accounting system of RCI Financial Services Limited, to support the separate assets, liabilities and transactions of the company as at July 2007 The directors have taken all the necessary steps to provide as much evidence as possible, exhausting all available means Some evidence still remains missing, however the directors take the view that the asset transfer from RFS (4) Limited to RCI Financial Services Limited and the subsequent unqualified audits of the transferred balances, along with the subsequent confirmation of all remaining balances on the RFS (4) Limited balance sheet, provide sufficient comfort that the RFS (4) Limited accounts are appropriately presented for statutory reporting purposes

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

Steve Gowler

8 March 2010

Statement of directors' responsibilities in respect of the report and the financial statements

The dırectors are responsıble for preparıng the annual report and the financıal statements ın accordance wıth the applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law they have elected to prepare the financıal statements ın accordance wıth IFRSs, as adopted by the European Unıon, and the Companıes Act 1985

Internatıonal Accountıng Standard 1 requıres that financıal statements present faırly for each financıal year the company's financıal posıtıon, financıal performance and cash flows Thıs requıres the faıthful representatıon of the effects of transactıons, other events and condıtıons ın accordance wıth the definıtıons and recognıtıon crıterıa for assets, lıabılıtıes, ıncome and expenses set out ın the Internatıonal Accountıng Standards Board's 'Framework for the preparatıon and Presentatıon of Fınancıal Statements' In vırtually all cırcumstances, a faır presentatıon wıll be achıeved by complıance wıth all applıcable Internatıonal Fınancıal Reportıng Standards Dırectors are also requıred to

- properly select and apply accountıng polıcıes,
- present ınformatıon, ıncludıng accountıng polıcıes, ın a manner that provıdes relevant, relıable, comparable and understandable ınformatıon,
- provıde addıtıonal dısclosures when complıance wıth the specific requırements ın IFRSs ıs ınsufficıent to enable users to understand the ımpact of partıcular transactıons, other events and condıtıons on the entıty's financıal posıtıon and financıal performance, and
- make an assessment of the company's abılıty to contınue as a goıng concern

The dırectors are responsıble for keepıng proper accountıng records that dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that ıts financıal statements comply wıth the Companıes Act 1985 They are also responsıble for safeguardıng the assets of the company and for takıng reasonable steps for the preventıon and detectıon of fraud and other ırregularıtıes

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RFS (4) LIMITED

We have audited the financial statements of RFS (4) Limited for the year ended 31 December 2008 which comprise the Income Statement, the Statement of Recognised Income and Expenses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 14 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 are 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements This other information comprises only the Directors' Report 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 further information outside the Annual Report

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RFS (4) LIMITED

Basis of audit opinion (continued)

We planned 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 However, the evidence available to us was limited as a result of the transfer of the company's assets and trade to RCI Financial Services Limited in 2007 As described in note 1 to the financial statements, following this transfer, accounting for the leases and other assets, liabilities and transactions which previously comprised the company's trade has been transferred to the accounting system of RCI Financial Services Limited Whilst RCI Financial Services Limited has prepared financial statements which comprise the assets and results of the combined business including the transferred business, the nature of those accounting records mean that it is no longer possible for the directors of the company to provide us with supporting evidence for the separate assets, liabilities and transactions of the company As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning the company's financial statements and, because of the significance of this limitation of scope, we have been unable to form a view on the financial statements

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether 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 2008 and of its result for the year then ended, and

- have been properly prepared in accordance with the Companies Act 1985

In respect solely of the limitation of our work referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and

- we were unable to determine whether proper accounting records have been maintained

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the directors' report is consistent with the financial statements

Emphasis of matter - Financial statements prepared other than on a going concern basis

Whilst we have been unable to form an opinion on the financial statements, we draw your attention to the fact that, as described in note 1, the financial statements have been prepared on a basis other than that of a going concern

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
8 March 2010

RFS (4) LIMITED

YEAR ENDED 31 DECEMBER 2008

INCOME STATEMENT

	Notes	2008	2007
		£'000	£'000
Finance lease income		-	4
Net operating lease income	2	-	1,314
Interest expense and similar charges	3	-	(570)
Net income		-	748
Administrative income		-	194
Operating income		-	1,114
Profit on ordinary activities before taxation		-	2,056
Income tax (expense)	6	-	(5,816)
Loss after tax for the financial year all attributable to equity shareholders	9	-	(3,760)

The notes on pages 12 to 25 form part of the financial statements

On 3 July 2007 the business was transferred to RCI Financial Services Limited The company has been dormant since that date, and hence the above represents discontinued operations

RFS (4) LIMITED

YEAR ENDED 31 DECEMBER 2008

STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Notes	2008	2007
		£'000	£'000
Loss for the year		-	(3,760)
Total recognised income and expense		-	(3,760)

The notes on pages 12 to 25 form part of the financial statements

RFS (4) LIMITED (COMPANY NUMBER: 1319326)

AS AT 31 DECEMBER 2008

BALANCE SHEET

	Notes	2008	2007
		£'000	£'000
Assets			
Operating leased assets	7	-	-
Deferred tax assets	9	-	-
Investment in subsidiaries	8	-	-
Total non-current assets		-	-
Total assets		-	-
Equity			
Share capital	10	1,000	1,000
Retained earnings	10	(4,859)	(4,859)
Total equity		(3,859)	(3,859)
Liabilities			
Amounts owed to group undertakings	11	3,859	3,859
Total current liabilities		3,859	3,859
Deferred tax liabilities	9	-	-
Total non-current liabilities		-	-
Total liabilities		3,859	3,859
Total equity and liabilities		-	-

The notes on pages 12 to 25 form part of the financial statements

Approved by the Board of Directors and authorised for issue on 8 March 2010 and signed on its behalf by

S Gowler
Director

RFS (4) LIMITED

YEAR ENDED 31 DECEMBER 2008

CASH FLOW STATEMENT

	Notes	2008	2007
		£'000	£'000
Cash flows from operating activities			
Profit before taxation		-	2,056
Adjustments for			
Finance lease impairment		-	-
Operating lease depreciation	2	-	2,776
Movement in receivables		-	5,586
Movement in payables		-	(15,936)
Net (profit) on sale of operating leased assets		-	(475)
Movement in Intercompany		-	2,024
Cash generated from operations		-	(3,969)
Income taxes received		-	384
Net cash from operating activities		-	(3,585)
Cash flows from investing activities			
Purchase of operating leased assets		-	(539)
Proceeds from sale of operating leased assets		-	16,700
Net cash from investing activities		-	16,161
Net increase in cash and cash equivalents		-	12,576
Cash and cash equivalents at 1 January		-	(12,576)
Cash and cash equivalents at 31 December		-	-

The notes on pages 12 to 25 form part of the financial statements

1. Accounting Policies

General information

RFS (4) Limited is a company registered in the United Kingdom

Statement of compliance

The 2008 statutory financial statements set out on pages 8 to 25 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS)

The standards adopted by the company are those endorsed by the European Union and effective at the date the IFRS financial statements are approved by the Board

Basis of preparation

The financial statements are presented in sterling, rounded to the nearest thousand They are prepared on the historical cost basis

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods

The accounting polices set out below have been applied consistently to all periods presented in these financial statements

As a wholly owned subsidiary of Renault Acceptance Ltd, a company incorporated in Great Britain, the Company is exempt under Section 228(2) of the Companies Act 1985 from preparing consolidated financial statements Consolidated financial statements are prepared by RCI Banque, a Company incorporated in France

1. Accounting Policies (continued)

Directors' preparation of the financial statements

The directors have prepared the financial statements based on the accounting records made available to them

RFS (4) Limited has traded for many years, operating as a wholly owned subsidiary of RFS Limited, which itself was a wholly owned subsidiary of a joint venture between RAL Limited and Capital Bank. RFS (4) Limited has received unqualified audit reports up to and including the December 2006 year end.

In the course of 2007, the directors engaged Ernst & Young LLP to assess the trade and assets of the company with a view of RAL Limited buying from Capital Bank the joint venture partner's 50% share of the business.

The due diligence mentioned above was completed successfully and based on it, on 2 July 2007 RAL Limited became the sole shareholder of RFS Limited and its subsidiaries, which included RFS (4) Limited On 3 July 2007, the net assets and the trade of RFS (4) Limited were transferred across to another Renault SA subsidiary company, RCI Financial Services Limited RCI Financial Services Limited integrated those net assets and the corresponding accounting balances into its books. The balances transferred were validated by the due diligence report received An intercompany balance between RCI Financial Services Limited and RFS (4) Limited was recognized to reflect the value of the net assets transferred RCI Financial Services Limited is in a position to confirm, and has confirmed, this balance to RFS (4) Limited

Subsequently, RCI Financial Services Limited has continued trading and has received unqualified audit reports for 2007 and 2008 statutory accounts The directors see this as proof of the balances transferred from RFS (4) Limited being correctly valued.

However in the course of the RFS (4) Limited statutory audit it has been discovered that the nature of the accounting records means that substantive evidence no longer exists following the transfer of the business and the related records to the accounting system of RCI Financial Services Limited, to support the separate assets, liabilities and transactions of the company as at July 2007. The directors have taken all the necessary steps to provide as much evidence as possible, exhausting all available means Some evidence still remains missing, however the directors take the view that the asset transfer from RFS (4) Limited to RCI Financial Services Limited and the subsequent unqualified audits of the transferred balances, along with the subsequent confirmation of all remaining balances on the RFS (4) Limited balance sheet, provide sufficient comfort that the RFS (4) Limited accounts are appropriately presented for statutory reporting purposes

Going concern

The business was transferred to RCI Financial Services Ltd on 3 July 2007 and the company has been dormant since that date. As a result, it is the intention of the directors to wind the company up in due course. As a consequence, the financial statements have been prepared on a basis other than that of a going concern

1. Accounting Policies (continued)

Details of standards not yet effective

There are a number of new standards and interpretations issued but not yet effective which the company has not applied in these accounts.

- IAS 1 Presentation of Financial Statements (revised 2007) (effective 1 January 2009)
- IAS 23 Borrowing Costs (revised 2007) (effective 1 January 2009)
- Amendment to IAS 32 Financial Instruments Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (effective 1 January 2009) and IAS 27 Consolidated and Separate Financial Statements (revised 2008) (effective 1 July 2009)
- IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (effective 1 January 2009)
- IAS 28 Investments in Associates (revised)
- IFRIC 12 Service Concession Arrangements (effective 1 January 2008)
- IFRIC 13 Customer Loyalty Programmes (effective 1 July 2008)
- IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)
- IFRS 9 – Financial Instruments
- IAS 24 (revised Nov 2009) – Related Party Disclosures
- Amendments to IFRS 7 (Mar. 2009) - Improving Disclosures about Financial

It is anticipated that the adoption of these standards will not have a significant impact on the accounts of the company except for additional disclosure and presentational requirements.

1. Accounting Policies (continued)

Investments in subsidiary undertakings

Shares in subsidiaries are stated at cost unless, in the opinion of the Directors, there has been impairment in value, in which circumstance a provision is made

Finance leases, instalment credit and operating leases

Assets leased to customers which transfer substantially all the risks and rewards of ownership to the customer are classified as finance leases Together with instalment credit agreements, they are recorded at an amount equal to the net investment in the lease, less any provisions for impairment, within finance lease receivables

The net investment in finance leases and instalment credit agreements represents the sum of the minimum payments receivable and unguaranteed residual value (gross investment in lease) discounted at the interest rate implicit in the lease The difference between the gross investment in the lease and the net investment in the lease is recorded as unearned finance lease income

All other assets leased to customers are classified as operating leases These assets are separately disclosed in the balance sheet within operating leased assets and are recorded at cost less accumulated depreciation, which is calculated on a straight line basis Operating leased assets are reviewed for impairment when there is an indication of impairment

Income from finance leases and instalment credit agreements is credited to the income statement using the net investment method (before tax) to give a constant periodic rate of return Initial direct costs incurred in arranging the lease are included in the initial measurement of the finance debtor and reduce income over the lease term

Operating leased rentals are recognised in the income statement on a straight line basis over the lease term Initial direct costs incurred are deferred and allocated to income over the lease term in proportion to the recognition of rental income

Assets awaiting sale

Assets awaiting sale comprise operating leased assets where the agreements have reached their termination date, but the assets will not be sold until after the balance sheet date

Any potential losses on disposal of these assets have been reflected in the Residual value impairment provision

1. Accounting Policies (continued)

Impairment provisions

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment If any such indication exists, the assets' recoverable amount is estimated

Leasing impairment is assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant

Individual impairment is identified at a counterparty specific level following objective evidence that a financial asset is impaired This may be after a principal payment is missed

The recoverable amount of finance lease receivables carried at amortised cost is calculated as the present value of future cash flows, discounted at the original effective interest rate in the lease

The recoverable amount of other assets, including operating leases, is the greater of their net selling price and value in use In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset If impaired, the carrying value is adjusted and the difference charged to the income statement

Collective assessment groups assets that share similar risk characteristics and applies a collective impairment methodology based on existing risk conditions or events that have a strong correlation with a tendency to default

In circumstances where an asset has been collectively assessed for impairment and no objective evidence of impairment exists, then it may be subject to a collective assessment In this situation impairment may be incurred but not yet reported

The reversal of an impairment loss for an asset is recognised immediately in the income statement An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

1. Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant change in value Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes The following temporary differences are not provided goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates at the balance sheet date

Critical sources of estimation and uncertainty

Details of the critical sources of estimation and uncertainty are discussed in the impairment provision policy

2. Net operating lease income

	2008	2007
	£'000	£'000
Operating lease income	-	4,090
Operating lease depreciation	-	(2,776)
	-	1,314

3. Interest expense and similar charges

	2008	2007
	£'000	£'000
Intra group and joint venture party interest	-	570
	-	570

4. Staff numbers and costs

The company has no employees (2007 nıl) It uses the servıces of a related undertakıng for whıch a management charge, ıncluded ın admınıstratıve expenses, ıs made

Audıtors' remuneratıon for the audıt of the statutory fınancıal statements of £3,500 (2007 £2,007) ıs ıncluded wıthın admınıstratıve expenses

Audıtor's remuneratıon for the audıt of the 2008 statutory fınancıal statements ıs beıng borne by RCI Fınancıal Servıces Lımıted

5. Directors' emoluments

None of the Dırectors receıved any emoluments for theır servıces as Dırectors of the company (2007 £nıl)

6. Income tax expense

	2008 **£'000**	2007 £'000
Current tax		
Current tax charge for the year	-	1,762
Adjustments in respect of earlier years	-	6,104
	-	7,866
Deferred tax (note 10)		
Deferred tax (credit) for the period at a rate of 28 5% (2007 30%)	-	(1,190)
Adjustments in respect of earlier years	-	(860)
	-	(2,050)
Total income tax expense in income statement	-	5,816

Reconciliation of effective tax rate

	2008 **£'000**	2007 £'000
Current tax		
Profit on ordinary activities before tax	-	2,056
Tax on profits on ordinary activities at the standard rate	-	618
Effect of		
Capital allowances in excess of depreciation	-	427
Movement in short term timing differences	-	718
Under provision for prior years' liability	-	6,104
Deferred tax adjustment in respect of accelerated capital allowances	-	(472)
Deferred tax adjustment in respect of short term timing differences	-	(718)
Deferred tax adjustment on prior year in respect of accelerated capital allowances	-	2,656
Deferred tax adjustment on prior year in respect of accelerated capital allowances		(3,517)
	-	5,816

7. Operating leased assets

	Operating leases
Cost	**£'000**
Balance at 1 January 2007	36,601
Additions	539
Disposals	(9,019)
Transfer to RCI FS	(28,121)
At 31 December 2007	-
Balance at 1 January 2008	-
Additions	-
Disposals	-
Transfer to RCI FS	-
At 31 December 2008	-
Depreciation and impairment losses	
Balance at 1 January 2007	18,139
Depreciation charge for the year	2,777
Disposals	(5,134)
Transfer to RCI FS	(15,782)
At 31 December 2007	-
Balance at 1 January 2008	-
Depreciation charge for the year	-
Disposals	-
Transfer to RCI FS	-
At 31 December 2008	-
Net book value	
At 31 December 2007	
Operating leased assets	-
Assets awaiting sale	-
	-
At 31 December 2008	
Operating leased assets	-
Assets awaiting sale	-
	-

During the year, the company acquired, for cash, operating leased assets at a cost of £nil (2007 £539,000)

8. Investment in subsidiary undertakings

	£
Investment at 31 December 2008 and 2007	6

The company owns all the issued share capital of the companies listed below

The company's subsidiary undertakings, which are incorporated in the United Kingdom, are

	Class of capital & percentage held	Nature of business	Accounting reference date
RFS (1) Limited	100% of Ordinary Shares	Provision of finance and associated services	31 March
RFS (2) Limited	100% of Ordinary Shares	Provision of finance and associated services	30 June
RFS (3) Limited	100% of Ordinary Shares	Provision of finance and associated services	30 September

9. Deferred tax assets and liabilities

	2008 £'000	2007 £'000
Deferred tax liabilities	-	-
Deferred tax assets	-	-
Net position	-	-

The movement for the year in the company's net deferred tax position was as follows

	2008 £'000	2007 £'000
Balance brought forward as at 1 January	-	(2,184)
Credit to income for the year (note 6)	-	(2,050)
Transferred with trade and assets	-	(134)
Balance carried forward as at 31 December	-	-

10. Capital and reserves

Reconciliation of shareholders' funds

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2007	1,000	(1,099)	(99)
Loss for the year	-	(3,760)	(3,760)
Balance at 31 December 2007	**1,000**	**(4,859)**	**(3,859)**
Profit for the year	-	-	-
Balance at 31 December 2008	**1,000**	**(4,859)**	**(3,859)**

Share Capital

	2008 £	2007 £
Authorised		
A ordinary shares of £1 each	**500,001**	500,001
B ordinary shares of £1 each	**500,001**	500,001
C ordinary shares of £1 each	**2**	2
	1,000,004	1,000,004
Allotted, called up and fully paid		
A ordinary shares of £1 each	**500,001**	500,001
B ordinary shares of £1 each	**500,001**	500,001
C ordinary shares of £1 each	**2**	2
	1,000,004	1,000,004

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company

11. Amounts owed by and to group undertakings and joint venture parties

	2008 £'000	2007 £'000
Current liabilities		
Amounts owed to RCI Financial Services Limited group undertakings and joint venture parties	**3,859**	3,859

The above amounts are repayable on demand

12. Related parties

Key management personnel and members of their close families have not undertaken any transactions with RFS (4) Limited in the normal course of business

The company had the following reportable transactions with related parties

Transactions included within		**HBOS Plc Group**		**Renault SA Group**		**Other related parties**	
Income statement	**Description**	**2008**	2007	**2008**	2007	**2008**	2007
		£'000	£'000	**£'000**	£'000	**£'000**	£'000
Income	Earned finance charges subsidy receivable	-	-	-	3,228	-	-
Income	New business subsidy receivable	-	-	-	320	-	-
Net operating lease income	Other commission payable	-	-	-	32	-	-
Interest expense and similar charges	Intra group interest	-	570	-	-	-	-
Administrative expenses	Management charge	-	353	-	-	-	-
Outstanding balances included within							
Balance sheet	**Description**						
Current assets	New business subsidy receivable	-	-	-	-	-	-
Current assets	Amounts owed by group undertakings and joint venture parties	-	-	-	-	**3,859**	3,859
Current liabilities	Amounts owed to group undertakings and joint venture parties	-	-	-	-	-	-
Current liabilities	New business subsidy payable	-	-	-	5,468	-	-

13. Parent undertaking

RCI Banque SA heads the smallest group into which the accounts of the Company are consolidated and Renault SA is the ultimate parent undertaking and heads the largest group into which the accounts of the Company are consolidated The consolidated accounts of Renault SA may be obtained from its registered office at 27-33, Quai Le Gallo - 92513 Boulogne-Billancourt Cedex, France

14. Financial instruments

Details of the significant accounting policies and methods for each class of financial instrument are disclosed in note 1

Exposure to credit and interest rate risks arises in the normal course of the company's business

Credit risk

The company was dormant and did not trade during the year Following the transfer of the company's trade and assets the company does not face any exposure to credit risk

Fair values

There are no differences between the carrying amounts shown in the balance sheet and the fair value

Interest rate risk

The company was dormant and did not trade during the year

Liquidity risk

The company was dormant and did not trade during the year