

**Company Registration No: 02003546**

**BUS & COACH LEASING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**30 September 2008**

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

**TUESDAY**



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**31/03/2009**

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**COMPANIES HOUSE**

# **BUS & COACH LEASING LIMITED**

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**BUS & COACH LEASING LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

**N T J Clibbens  
P E Lord**

**SECRETARY:**

**A M Cunningham**

**REGISTERED OFFICE:**

**3 Princess Way  
Redhill  
Surrey  
RH1 1NP**

**AUDITORS:**

**Deloitte LLP  
London**

**Registered in England and Wales.**

## **BUS & COACH LEASING LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 30 September 2008.

### **ACTIVITIES AND BUSINESS REVIEW**

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 417 (1) of the Companies Act 2006.

#### **Activity**

Historically the principal activity of the Company was the provision of residual value undertakings and the provision of credit finance by way of leasing and contract hire.

#### **Review of the year**

The result for the year was £nil (2007: result of £nil).

No dividend was paid during the year (2007: £nil).

On 30 September 2006 the Company sold its business to a fellow group undertaking at carrying value producing no profit or loss. The Company has subsequently not traded.

### **DIRECTORS AND SECRETARY**

The present directors and secretary, who have served throughout the year are listed on page 1.

### **DIRECTORS' RESPONSIBILITIES**

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

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

## **BUS & COACH LEASING LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **DIRECTORS' RESPONSIBILITIES (Continued)**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the directors' report and financial statements comply with the requirements of the Companies Acts 1985 and 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **USE OF FINANCIAL INSTRUMENTS**

The Company's financial risk management policies and exposure in relation to the respective risks are detailed in note 11 of the financial statements.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

- (a) so far as he is aware there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the director has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

#### **AUDITORS**

Deloitte LLP have expressed their willingness to continue in office as auditors.

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



N T J Clibbens  
Director

Date: 26 MAR 2009

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUS & COACH LEASING LIMITED**

We have audited the financial statements of Bus & Coach Leasing Limited ('the Company') for the year ended 30 September 2008 which comprise the income statement, the statement of changes in equity, the balance sheet and the related notes 1 to 15. 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 Directors' 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 Directors' Report.

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

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

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

### **BASIS OF AUDIT OPINION**

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUS & COACH LEASING LIMITED  
(Continued)**

**OPINION**

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2008 and of its result for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**Deloitte LLP**  
**Chartered Accountants and Registered Auditors**  
**London, United Kingdom**

Date: 26/3/09

# **BUS & COACH LEASING LIMITED**

## **INCOME STATEMENT**

**for the year ended 30 September 2008**

	<b>Note</b>	<b>2008 <u>£'000</u></b>	<b>2007 <u>£'000</u></b>
<b>Continuing operations</b>			
Operating charges	5	-	-
		<hr/>	<hr/>
<b>Profit for the year attributable to the equity holders of the Company</b>	10	-	-
		<hr/>	<hr/>

The notes on pages 9 to 15 form a part of these financial statements.



# **BUS & COACH LEASING LIMITED**

## **STATEMENT OF CHANGES IN EQUITY for the year ended 30 September 2008**

	<b>Note</b>	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
At 1 October 2006		100	(829)	(729)
Capital contribution		-	829	829
At 30 September 2007		<u>100</u>	<u>-</u>	<u>100</u>
At 1 October 2007		100	-	100
Profit for the year		-	-	-
At 30 September 2008		<u>100</u>	<u>-</u>	<u>100</u>

The capital contribution arose from an intercompany loan that was waived.

The notes on pages 9 to 15 form a part of these financial statements.

# BUS & COACH LEASING LIMITED

## BALANCE SHEET at 30 September 2008

	Note	2008 <u>£'000</u>	2007 <u>£'000</u>
<b>Non-current assets</b>			
Investment in subsidiary undertakings	7	-	-
<b>Current assets</b>			
Loans and receivables	8	<u>100</u>	<u>100</u>
<b>Total assets</b>		<u>100</u>	<u>100</u>
<b>Equity</b>			
Share capital	9	<u>100</u>	<u>100</u>
<b>Total equity attributable to the equity holders of the Company</b>		<u>100</u>	<u>100</u>

The financial statements were approved by the board of directors and authorised for issue on 26 MAR 2009 and were signed on its behalf by:



N T J Clibbens  
Director

The notes on pages 9 to 15 form a part of these financial statements.

## **BUS & COACH LEASING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2008**

#### **1 General information**

Bus & Coach Leasing Limited is a company incorporated in Great Britain under the Companies Act 1985. The address of the registered office is on page 1. The nature of the Company's principal activities are set out in the Directors' Report.

#### **2 Adoption of new and revised Standards**

In the current year the Company has adopted IFRS 7 *Financial Instrument: Disclosures* which is effective for annual reporting periods beginning on or after 1 January 2007 and the related amendment to IAS 1 *Presentation of Financial Statements*. The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Company's financial instruments and the management of capital.

Two Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year. These are: IFRIC10 *Interim Financial Reporting and Impairment* and IFRIC 11 *IFRS2 - Group and Treasury Share Transactions*. The adoption of these has not led to any changes in the Company's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective: IFRS 8 *Operating Segments*, IFRIC 12 *Service Concession Arrangements*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 14 *IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, IFRIC 15 *Agreements for the Construction of Real Estate* and IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*. The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

#### **3 Accounting policies**

##### **a. Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together IFRS) as adopted by the European Union.

The financial statements have been prepared upon the basis of historical cost except as noted in the following accounting policies and are presented in accordance with applicable United Kingdom law.

## **BUS & COACH LEASING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **for the year ended 30 September 2008**

#### **3 Accounting policies (continued)**

##### **b. Investment in subsidiary undertakings**

A subsidiary is an undertaking in which the Company has a long term interest and over which it exercises control.

The Company's interests in subsidiary undertakings are stated at cost less any impairment.

##### **c. Basis of consolidation**

The Company is exempt from the requirement to prepare consolidated financial statements in accordance with s228 of the Companies Act 1985 as the Company is a wholly owned subsidiary of Lombard North Central PLC and the Company's results are consolidated within the financial statements of The Royal Bank of Scotland plc. These financial statements therefore present information about the Company as an individual entity and not about the group.

##### **d. Loans and receivables**

Loans and receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### **4 Cash flow statement**

There were no cash flows during either the current or prior year. A cash flow statement is therefore not presented.

## BUS & COACH LEASING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 30 September 2008

#### 5 Operating charges

	2008 £	2007 £
Loss on disposal of investment	(100)	-
Other credits	100	-
	<u>-</u>	<u>-</u>

The Company had no employees in the current year (2007 – none).

Employee costs are incurred by the immediate parent company, Lombard North Central PLC.

#### 6 Auditors' Remuneration

Fees payable to the Company's auditors for the audit of the Company's annual financial statements are £5,000 (2007: £5,000). There was no charge in either the current or prior year's financial statements for auditors' remuneration as the fees were charged in the financial statements of the immediate parent, Lombard North Central PLC.

#### 7 Investments in subsidiary undertakings

	2008 £	2007 £
<b>Cost:</b>		
At 1 October	100	100
Disposals	(100)	-
At 30 September	<u>-</u>	<u>100</u>

The Company held 100% of the ordinary share capital of Bus & Coach Contracts Limited. Bus & Coach Contracts Limited, which had remained dormant during the year, was registered in England and Wales and had an accounting reference date of 31 May. During the year this company was dissolved generating a loss of £100.

# BUS & COACH LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 30 September 2008

### 8 Loans and receivables

	2008 <u>£'000</u>	2007 <u>£'000</u>
<b>Current</b>		
Amounts owed by group undertakings	<u>100</u>	<u>100</u>

The directors of the Company have waived the right to charge interest on the amounts owed by group undertakings.

The fair value of loans and receivables is considered not to be materially different to the carrying amounts in the balance sheet.

### 9 Share capital

	2008 <u>£'000</u>	2007 <u>£'000</u>
<b>Authorised:</b>		
250,000 (2007: 250,000) "A" ordinary shares of £1 each	250	250
750,000 (2007: 750,000) "B" ordinary shares of £1 each	<u>750</u>	<u>750</u>
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid:</b>		
25,000 (2007: 25,000) "A" ordinary shares of £1 each	25	25
75,000 (2007: 75,000) "B" ordinary shares of £1 each	<u>75</u>	<u>75</u>
	<u>100</u>	<u>100</u>

The holders of "A" and "B" 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.

### 10 Reserves

	<b>Retained earnings <u>£'000</u></b>
At 1 October 2006	(829)
Capital contribution	829
At 30 September 2007	<u>-</u>
At 1 October 2007	-
Profit for the year	-
At 30 September 2008	<u>-</u>

The capital contribution arose from an intercompany loan that was waived.

## **BUS & COACH LEASING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **for the year ended 30 September 2008**

#### **11 Financial instruments and risk management**

##### **Capital risk management**

The Company considers its capital to consist of equity attributable to the equity holders of the Company, comprising issued share capital and retained earnings as disclosed in notes 9 and 10. The Company is a member of the Royal Bank of Scotland group of companies which has regulatory disciplines over the use of its capital. The Company operates controls and policies put in place by the group to ensure that the Company can continue as a going concern and to ensure that the group complies with these regulatory disciplines.

##### **Accounting Policies**

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 3.

##### **Categories of financial instruments**

The only financial asset in the Company is the balance owed by group undertakings which is categorised as being a loan and receivable, as defined in IAS 39.

##### **Risk management**

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

The risks associated with the Company's businesses are as follows:

##### **Interest rate risk**

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

The Company has no significant interest rate risk as all amounts owed from group undertakings are due primarily on demand and interest has been waived.

## **BUS & COACH LEASING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 30 September 2008**

#### **11 Financial instruments and risk management (continued)**

##### **Currency risk**

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

##### **Credit risk**

Credit risk is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the Company.

The Company has no significant credit risk as all loans and receivables are with group undertakings. No amounts owed by group undertakings are past due.

##### **Liquidity risk**

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

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

##### **Operational risk**

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages this risk, in line with the RBS group framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The Company also maintains contingency facilities to support operations in the event of disasters.

#### **12 Contingent liabilities**

The Royal Bank of Scotland group has agreed to compensate UK members for any adjustments in respect of UK:UK Transfer Pricing that may arise under paragraph 1A of Schedule 28 AA, Income and Corporation Taxes Act 1988.

#### **13 Post balance sheet event**

On 1 December 2008, the UK Government through HM Treasury acquired a controlling shareholding in The Royal Bank of Scotland Group plc. The UK Government has announced that its shareholdings in banks will be managed by UK Financial Investments Limited a company wholly-owned by the UK Government.



## BUS & COACH LEASING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 30 September 2008

#### 14 Related parties

The Company's immediate parent and ultimate controlling party is described in note 15.

The table below details balances and transactions with group undertakings.

	At 1 October 2007 £	Net receipts £	At 30 September 2008 £
Banking members of the group:			
Immediate parent	100,100	(100)	100,000
<b>Total</b>	<u>100,100</u>	<u>(100)</u>	<u>100,000</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

#### Other related party transactions

No emoluments were paid to any director by the Company during the year (2007 - £nil).

None of the directors had any material interest in any contract of significance in relation to the business of the Company (2007 - none).

#### 15 Parent companies

The Company's immediate parent company is Lombard North Central PLC.

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

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