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**Company Registered No: 02011529**

**R.B. LEASING (APRIL) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 April 2018**

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**R.B. LEASING (APRIL) LIMITED**

**02011529**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

I A Ellis  
D G Harris  
S J Roulston

**COMPANY SECRETARY:**

RBS Secretarial Services Limited

**REGISTERED OFFICE:**

The Quadrangle  
The Promenade  
Cheltenham  
GL50 1PX

**INDEPENDENT AUDITOR:**

Ernst & Young LLP  
Statutory Auditor  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

**Registered in England and Wales**

**DIRECTORS' REPORT**

The directors of R.B. Leasing (April) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 30 April 2018.

**ACTIVITIES AND BUSINESS REVIEW**

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and therefore does not include a Strategic report.

**Activity**

The principal activity of the Company continues to be the provision of fixed asset finance usually involving individually structured facilities. The Company holds leases that have entered their secondary period.

**Review of the year****Business review**

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

**Financial performance**

The retained profit for the year was £25,000 (2017: £940,000) and this was transferred to reserves. No dividends were paid during the year (2017: £2,300,000).

**Principal risks and uncertainties**

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

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

The Company is funded by facilities from Royal Bank Leasing Limited. These are denominated in Sterling which is the functional currency and carry no significant financial risk.

The principal risks associated with the Company are as follows:

**Interest rate risk**

Structural interest rate risk arises where assets and liabilities have different re-pricing maturities.

The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches – see note 15.

**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.

All material loans receivable are with group companies. Although credit risk arises this is not considered to be significant and no amounts are past due.

**Liquidity risk**

Liquidity risk arises where assets and liabilities have different contractual maturities. Management focuses on risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations.

**DIRECTORS' REPORT****Principal risks and uncertainties (continued)****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.

**Going Concern**

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

**DIRECTORS AND SECRETARY**

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

From 1 May 2017 to date the following changes have taken place:

	<b>Appointed</b>	<b>Resigned</b>
<b>Directors</b>		
J H Wood	-	30 June 2017
N J McDaid	-	31 July 2017
A P Johnson	-	31 July 2017
S J Caterer	-	31 August 2017
E Mayes	31 July 2017	6 March 2018
D G Harris	31 July 2017	-
S J Roulston	21 September 2017	-
I A Ellis	6 March 2018	-

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare a Directors' report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Directors' report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS' REPORT**

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

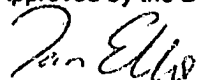
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that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

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

**AUDITOR**

Ernst & Young LLP has expressed its willingness to continue in office as auditor.

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



I A Ellis

Director

Date: 18 December 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. LEASING (APRIL) LIMITED**

### **Opinion**

We have audited the financial statements of R.B. Leasing (April) Limited ('the Company') for the year ended 30 April 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework.

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. LEASING (APRIL) LIMITED**

### **Opinion on other matter prescribed by the Companies Act 2006**

*In our opinion, based on the work undertaken in the course of the audit:*

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic report.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with applicable law and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. LEASING (APRIL) LIMITED

### Use of the report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Page** (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Statutory Auditor  
Bristol, United Kingdom  
Date: 20 December 2018

**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 April 2018

		2018 £'000	2017 £'000
<b>Income from continuing operations</b>	<b>Notes</b>		
Turnover	3	-	60
Operating expenses	4	(132)	(32)
<b>Operating (Loss)/profit</b>		<b>(132)</b>	<b>28</b>
Finance income	5	164	1,708
Finance costs	6	(1)	(562)
<b>Profit on ordinary activities before tax</b>		<b>31</b>	<b>1,174</b>
Tax charge	7	(6)	(234)
<b>Profit and total comprehensive income for the year</b>		<b>25</b>	<b>940</b>

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

**BALANCE SHEET**  
as at 30 April 2018

	Notes	2018 £'000	2017 £'000
<b>Current assets</b>			
Loans receivable	9	1,233	11,575
Trade and other receivables	10	-	96
Prepayments, accrued income and other assets	11	24	5
Cash at bank		-	1
<b>Total assets</b>		<b>1,257</b>	<b>11,677</b>
<b>Current liabilities</b>			
Borrowings	12	-	3,290
Current tax liabilities		-	7,192
Accruals, deferred income and other liabilities	13	61	24
<b>Total liabilities</b>		<b>61</b>	<b>10,506</b>
<b>Equity</b>			
Called up share capital	16	-	-
Profit and loss account		1,196	1,171
<b>Total equity</b>		<b>1,196</b>	<b>1,171</b>
<b>Total liabilities and equity</b>		<b>1,257</b>	<b>11,677</b>

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

The financial statements of the Company were approved by the Board of Directors on 18 December 2018 and signed on its behalf by:



I A Ellis  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 30 April 2018**

	Notes	Share capital £'000	Profit and loss account £'000	Total £'000
<b>At 1 May 2016</b>		-	2,531	2,531
Profit for the year		-	940	940
Dividends paid	8	-	(2,300)	(2,300)
<b>At 30 April 2017</b>		-	1,171	1,171
Profit for the year		-	25	25
<b>At 30 April 2018</b>		-	<b>1,196</b>	<b>1,196</b>

Total comprehensive income for the year of £25,000 (2017: £940,000) was wholly attributable to the owners of the Company.

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

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

These financial statements are prepared:

- on a going concern basis;
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework in accordance with the recognition and measurement principles of 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 as adopted by the EU (together IFRS); and
- on the historical cost basis.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

The Company is incorporated in the UK and registered in England and Wales and the financial statements are presented:

- in accordance with the Companies Act 2006;
- in Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
  - cash-flow statement;
  - standards not yet effective; and
  - related party transactions.

Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 17.

There were no changes to IFRS that were effective from 1 May 2017 and would have had material effect on the Company's financial statements for the year ended 30 April 2018.

**b) Revenue recognition**

Turnover comprises income from finance leases and loans and other services which arises in the United Kingdom from continuing activities.

Finance lease income is allocated to accounting periods so as to give a constant periodic rate of return before tax on the net investment. Unguaranteed residual values are subject to regular review; if there is a reduction in the estimated unguaranteed residual value, income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

Interest income on financial assets that are classified as loans and receivables, available-for-sale or held-to-maturity and interest expense on financial liabilities other than those at fair value are determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability.

Secondary period income is recognised in line with IAS 18 'Revenue' in the period which it occurs.

**c) Taxation**

Income tax expense or income, comprising current tax and deferred tax, is recorded in the Profit and Loss Account except income tax on items recognised outside profit or loss which is credited or charged to other comprehensive income or to equity as appropriate.

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

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

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

**d) Leases**

Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer; all other contracts with customers to lease assets are classified as operating leases.

Finance lease receivables are stated in the balance sheet at the amount of the net investment in the lease, being the minimum lease payments and any unguaranteed residual value discounted at the interest rate implicit in the lease.

**e) Financial assets**

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

**Loans and receivables**

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses.

**f) Impairment of financial assets**

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

**g) Financial liabilities**

On initial recognition financial liabilities are classified into amortised cost.

Other than derivatives, which are recognised and measured at fair value, all other financial liabilities are measured at amortised cost using the effective interest method.

**h) Derecognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when it has been transferred and the transfer qualifies for derecognition in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

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

## NOTES TO THE FINANCIAL STATEMENTS

**2. Critical accounting policies and key sources of estimation uncertainty**

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. In accordance with their responsibilities for these financial statements, the factors the directors consider most important to the portrayal of its financial condition are discussed below.

**Leased assets**

Judgement is required in the classification of a lease at inception and after any material amendment to assess whether substantially all the significant risks and rewards of ownership accrue to the lessor or the lessee.

**3. Turnover**

	2018 £'000	2017 £'000
Finance lease income:		
Rents receivable	-	109,134
Amortisation	-	(109,074)
	-	60

The Company did not enter into any new leasing transactions during the year (2017: £nil).

**4. Operating expenses**

	2018 £'000	2017 £'000
Audit fee	5	5
Management fees	31	27
Other charges	96	-
	132	32

Management fees includes the cost of staff and directors borne by other members of the group, none of which can be apportioned meaningfully in respect of services to the Company. Other charges are write off of trade receivables.

**5. Finance income**

	2018 £'000	2017 £'000
On loans receivable from group companies	164	1,708

**6. Finance costs**

	2018 £'000	2017 £'000
Interest on loans from group companies	1	562