

Company Registration No: 02012130

R.B. LEASING (MARCH) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 March 2009

**Group Secretariat
The Royal Bank of Scotland Group plc
3 Princess Way
Redhill
Surrey
RH1 1NP**

THURSDAY



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03/12/2009
COMPANIES HOUSE**

R.B. LEASING (MARCH) LIMITED

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R.B. LEASING (MARCH) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**S Caterer
P Sullivan
R Warren
J Rogers**

SECRETARY:

C Whittaker

REGISTERED OFFICE:

**The Quadrangle
The Promenade
Cheltenham
Gloucestershire
GL50 1PX**

AUDITORS:

**Deloitte LLP
Bristol**

Registered in England and Wales.

R.B. LEASING (MARCH) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2009.

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

The retained profit for the period was £Nil (2008: retained profit £115,000). An interim dividend of £2,000,000 was paid during the period equating to £1,000,000 per share (2008: £Nil).

The Company has no transactions within it and has ceased to trade on 31 March 2009, note 1 to the accounts gives more information on the fact that the accounts have not been prepared on a going concern basis. The Directors do not anticipate that any further transactions will be written in this company.

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 April 2008 to date the following changes have taken place:

Directors	Appointed	Resigned
A Devine		31 July 2008
A Farnell		31 July 2008
P Tubb		15 August 2008
R Warren	31 July 2008	
P Sullivan	31 July 2008	
I Shephard	1 September 2008	10 February 2009
J Rogers	16 March 2009	

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:

R.B. LEASING (MARCH) LIMITED

DIRECTORS' RESPONSIBILITIES - continued

- 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;
and
- material departures disclosed and explained in the financial statements.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- a) so far as he/she 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/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

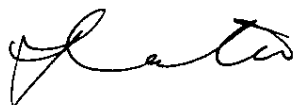
This confirmation is given and shall be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

AUDITORS

On 1 December 2008, Deloitte & Touche LLP changed their name to Deloitte LLP.

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



S Caterer
Director
Date: 30 November 2009

Independent auditors' report to the members of R. B. Leasing (March) Limited

We have audited the financial statements of R. B. Leasing (March) Limited ("the company") for the year ended 31 March 2009 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related Notes 1 to 14. These financial statements have been prepared on a basis other than that of going concern 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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition we also 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

Opinion

In our opinion:

- 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 March 2009 and of its result for the year then ended;
- 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
Bristol, United Kingdom

1 December 2009

R. B. Leasing (March) Limited

INCOME STATEMENT
for the year ended 31 March 2009

	Note	2009 £'000	2008 £'000
DISCONTINUED OPERATIONS			
Finance income	5	<u>-</u>	<u>164</u>
PROFIT BEFORE TAXATION		-	164
Tax charge	6	<u>-</u>	<u>(49)</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u>-</u>	<u>115</u>

R. B. Leasing (March) Limited

STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 31 March 2009

	2009 £'000	2008 £'000
Profit for the year	-	115
Total recognised income and expense for the year	-	115

BALANCE SHEET
as at 31 March 2009

	Note	2009 £'000	2008 £'000
CURRENT ASSETS			
Cash and cash equivalents	8	<u>846</u>	<u>2,858</u>
		846	2,858
TOTAL ASSETS		<u>846</u>	<u>2,858</u>
CURRENT LIABILITIES			
Trade and other payables	9	<u>(21)</u>	<u>(33)</u>
		(21)	(33)
TOTAL LIABILITIES		<u>(21)</u>	<u>(33)</u>
NET ASSETS		<u>825</u>	<u>2,825</u>
EQUITY			
Share capital	10	-	-
Retained earnings	11	<u>825</u>	<u>2,825</u>
TOTAL EQUITY		<u>825</u>	<u>2,825</u>

The financial statements were approved by the Board of Directors on 30 November 2009 and signed on its behalf by:



S J Caterer
Director

R. B. Leasing (March) Limited

CASH FLOW STATEMENT
for the year ended 31 March 2009

	Note	2009 £'000	2008 £'000
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	12	<u>(12)</u>	<u>123</u>
FINANCING ACTIVITIES			
Dividends paid		<u>(2,000)</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(2,000)</u>	<u>-</u>
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS		(2,012)	123
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,858	2,735
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>846</u>	<u>2,858</u>

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. The Company in addition to complying with its legal obligation to comply with IFRS as adopted for use in the European Union, also complies with IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The directors do not believe the adoption of any Standards or Interpretations that have been issued but are not yet effective will have any material impact on the financial statements of the Company.

The company has within it cash balances and amounts owed to and from fellow group companies, the directors believe that there have been no significant judgements and assumptions involved in the Company's accounting policies.

The company has ceased to trade following its disposal of all its finance leases in earlier periods. As required by IAS 1 Presentation of financial statements, management has prepared the financial statements on the basis that the entity is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

b FINANCE INCOME

Finance income is recognised in the period in which it is earned.

c TAXATION

Provision is made for taxation at current enacted rates on taxable profits.

Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered.

d CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

e TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are not interest bearing and are stated at their nominal value.

f OPERATING PROFIT

Operating profit is stated before charging or crediting investment income and finance costs.

NOTES TO THE FINANCIAL STATEMENTS

2 FINANCIAL RISK MANAGEMENT

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company minimises currency risk by ensuring its leases and associated financing is in the same currency.

c Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of counterparties to meet their obligations. Credit risk is managed through The Royal Bank of Scotland plc Group Credit Risk Management Framework to enable the Group to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved risk appetite on a Group basis. The Framework encompasses credit risk assessment prior to the approval of any credit exposure, and the control and monitoring of these exposures against approved limits.

d Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Any maturity mis-match within the overall long-term structure of the Company's assets and liabilities is managed to ensure that term asset commitments may be funded on an economic basis over their life. The short-term maturity structure of the Company's liabilities and assets is managed on a daily basis to ensure that all cash flow obligations can be met as they arise.

e Capital management

The Company is a member of a group with regulatory disciplines over the use of its capital. Although the Company itself is not regulated it aims to maintain capital resources commensurate with the nature, scale and risk profile of its business. It regards its capital as the total equity as shown on the balance sheet.

3 OPERATING PROFIT

Costs incurred in respect of audit services to the Company have been borne by Royal Bank Leasing Limited in 2009 and 2008 (£nil in both years). No recharge was made to the company.

4 STAFF COSTS

All directors and employees are employed and remunerated by The Royal Bank of Scotland plc, which did not make a recharge to the Company in the year.

The average monthly number of employees was nil (2008: nil).

5 FINANCE INCOME

	2009 £'000	2008 £'000
Interest receivable from group undertakings	-	(164)

NOTES TO THE FINANCIAL STATEMENTS

6 TAXATION	2009 £'000	2008 £'000
A) ANALYSIS OF TAX CHARGE FOR THE YEAR		
Current tax charge:		
- Group relief payable on profit for the year	-	49
Tax charge	-	49
B) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
Profit before tax	-	164
Tax on profit at the rate of 28% (2008: 30%)	-	49

The standard corporation tax rate changed from 30% to 28% with effect from the 1 April 2008.

7 FINANCIAL INSTRUMENTS

a) Carrying value and fair value of financial instrument by category:

	Carrying value 2009 £'000	Fair value 2009 £'000	Carrying value 2008 £'000	Fair value 2008 £'000
Loans and receivables				
Cash and cash equivalents	846	846	2,858	2,858
Financial assets	846	846	2,858	2,858
Financial liabilities measured at amortised cost				
Trade and other payables	21	21	33	33
Financial liabilities	21	21	33	33

b) Financial instrument - carrying amount by market risk exposure:

Interest rate risk:

Financial assets

- non-interest bearing
- variable rate

Financial liabilities

- non-interest bearing

	2009 £'000	2,008 £'000
	846	-
	-	2,858
	846	2,858
	21	33
	21	33

If market interest rates had been 2% higher or lower the profit or loss and equity of the Company would not have been materially affected (2008: an increase or decrease of £44,000).

c) Financial asset - credit quality and concentration of credit risk:

Maximum credit exposure and neither past due nor impaired:

Group undertakings

	2009 £'000	2008 £'000
	846	2,858
	846	2,858

Based on counterparty payment history the Company considers all the above financial assets to be of good credit quality.

NOTES TO THE FINANCIAL STATEMENTS

7 FINANCIAL INSTRUMENTS - continued

d) Liquidity risk:

Contractual cash flows payable to maturity on financial liabilities on an undiscounted basis:

	Less than 1 year £'000
2009	
Trade payables	<u>21</u>
	<u>21</u>
2008	
Trade payables	<u>33</u>
	<u>33</u>

8 CASH AND CASH EQUIVALENTS

	2009 £'000	2008 £'000
Bank account with group undertakings	-	38
Short term deposits with group undertakings	<u>846</u>	<u>2,820</u>
	<u>846</u>	<u>2,858</u>

9 TRADE AND OTHER PAYABLES

	2009 £'000	2008 £'000
Amounts due to group undertakings	<u>21</u>	<u>33</u>

10 SHARE CAPITAL

	2009 Number of shares	2008 Number of shares	2009 £	2008 £
Ordinary shares of £1 each				
Authorised:	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued, called up and fully paid:	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The Company has one class of ordinary voting shares which carry no right to fixed income.

11 RETAINED EARNINGS

	£'000
Balance at 1 April 2007	2,710
Profit for the financial year	<u>115</u>
Balance at 1 April 2008	2,825
Dividends paid	(2,000)
Profit for the financial year	<u>-</u>
Balance at 31 March 2009	<u>825</u>

During the year the Company paid a dividend of £2,000,000 equating to £1,000,000 per share (2007: nil).

NOTES TO THE FINANCIAL STATEMENTS

12 NOTES TO THE CASH FLOW STATEMENT

	2009 £'000	2008 £'000
Profit before tax	-	164
Adjustments for:		
Interest expense	-	(164)
Operating cash flows before movements in working capital	-	-
Increase in payables	22	-
Cash generated by operations	22	-
Income taxes paid	(34)	(41)
Interest paid	-	164
Net cash (used in)/from operating activities	(12)	123

13 RELATED PARTIES

On 1 December 2008, the UK Government through HM Treasury became the ultimate controlling party of The Royal Bank of Scotland Group plc. The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly owned by the UK Government.

The Group's ultimate holding company is The Royal Bank of Scotland Group plc and its immediate parent company is Royal Bank Leasing Limited. Both companies are incorporated in Great Britain and registered in Scotland.

As at 31 March 2009, The Royal Bank of Scotland Group plc heads the largest group in which the Group is consolidated and The Royal Bank of Scotland plc heads the smallest group in which the Group is consolidated. Copies of the consolidated accounts of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

14 RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions.

	2009 £'000	2008 £'000
Royal Bank Leasing Limited		
Transactions during the period		
- Interest on deposit from related party	-	(164)
- Group relief paid	34	41
Group relief owed by/(to) related party	-	(34)
Outstanding balance owed by related party	791	2,786
The Royal Bank of Scotland plc		
Bank account with group undertakings	-	38

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. Both The Royal Bank of Scotland plc and Royal Bank Leasing Limited are fellow subsidiaries of the ultimate holding company The Royal Bank of Scotland Group plc.