

**Company Registration No: 2012130**

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

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 March 2005**



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# **R.B. LEASING (MARCH) LIMITED**

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

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

**Trevor Vaughan Castledine  
Sharon Jill Caterer  
Adrian Colin Farnell  
Philip Anthony Tubb**

**SECRETARY:**

**Marina Louise Thomas**

**REGISTERED OFFICE:**

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

**AUDITORS:**

**Deloitte & Touche LLP,  
Bristol**

**Registered in England and Wales.**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

## **ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company, which is a wholly owned subsidiary of R.B. Leasing (September) Limited, is the provision of fixed asset finance usually involving individually structured facilities.

The retained profit for the period was £222,000 (2004: £162,000) and this was transferred to reserves. The directors do not recommend that an interim dividend be paid (2004: £nil).

The directors do not anticipate any material change in either the type or level of activities of the company.

## **DIRECTORS AND SECRETARY**

The names of the present directors and secretary are as listed on page 1.

From 1 April 2004 to date the following changes have taken place:

	<b>Appointed</b>	<b>Resigned</b>
<b>Directors</b>		
D Slattery		19 July 2004
P A Tubb	19 May 2004	
W V Latter		7 June 2004
T V Castledine	18 June 2004	

## **DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing the 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.

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 financial statements comply with the Companies Act 1985. 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' INTERESTS**

No director had an interest in the shares of the company.

The interests of Mr T V Castledine, Mrs S J Caterer, Mr A C Farnell and Mr P A Tubb in the share capital of The Royal Bank of Scotland Group plc group are disclosed in the financial statements of Royal Bank Leasing Limited.

**POLICY AND PRACTICE ON PAYMENT OF CREDITORS**

The company follows the policy and practice on payment of creditors determined by The Royal Bank of Scotland Group plc, as outlined below.

In the year ending 31 March 2006, the Group will adhere to the following payment policy in respect of all suppliers. The Group is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Group's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract or such other payment period as may be agreed.

The proportion which the amount owed to trade creditors at 31 March 2005 bears to the amounts invoiced by suppliers during the period then ended equated to nil days proportion of 365 days (2004: nil days).

**ELECTIVE RESOLUTIONS**

The company has passed Elective Resolutions electing to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

**AUDITORS**

Deloitte & Touche 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 J Caterer  
Director

Date: 30 September 2005

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R.B. LEASING (MARCH) LIMITED

We have audited the financial statements of R.B. Leasing (March) Limited for the year ended 31 March 2005 which comprise the profit and loss account, the balance sheet, 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 the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

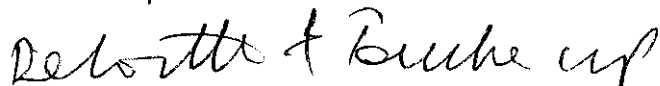
### Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 company's circumstances, 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 of the state of the company's affairs at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Bristol

30 September 2005

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

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2005**

		CONTINUING OPERATIONS	
	Note	2005 £'000	2004 £'000
Turnover	4	2,041	3,409
Administrative expenses	5	(59)	(40)
Other operating income	6	<u>259</u>	<u>3</u>
OPERATING PROFIT	5	2,241	3,372
Interest payable	7	<u>(1,877)</u>	<u>(3,140)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		364	232
Taxation charge on profit on ordinary activities	8	<u>(142)</u>	<u>(70)</u>
RETAINED PROFIT FOR THE YEAR	13	<u>222</u>	<u>162</u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the profits shown above therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 11 form part of these financial statements.

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

**BALANCE SHEET**  
as at 31 March 2005

	Note	2005 £'000	2004 £'000
<b>CURRENT ASSETS</b>			
<b>DEBTORS:</b>			
Finance lease receivables due after more than one year		-	61,875
Finance lease receivables due within one year		67	1,699
Other debtors due after more than one year	9	91	-
Other debtors due within one year	9	19,497	3,118
		<u>19,655</u>	<u>66,692</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	<u>(17,433)</u>	<u>(2,524)</u>
<b>NET CURRENT ASSETS</b>		<u>2,222</u>	<u>64,168</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,222</u>	<u>64,168</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	-	(44,880)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	-	(17,288)
<b>NET ASSETS</b>		<u>2,222</u>	<u>2,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	-
Profit and loss account	13	<u>2,222</u>	<u>2,000</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	14	<u>2,222</u>	<u>2,000</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 30 September 2005 and were signed on its behalf by :-



S J Caterer  
Director

The notes on pages 7 to 11 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

**1 ACCOUNTING POLICIES**

The financial statements on pages 5 to 11 are prepared on the basis of the principal accounting policies adopted by the Company described below and applicable United Kingdom Accounting Standards. Accounting policies have been applied consistently.

The Company's accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) issued by the Finance & Leasing Association. The SORP, 'Accounting issues in the asset finance and leasing industry', was published in April 2000.

**a ACCOUNTING CONVENTION**

The financial statements of the Company are prepared under the historical cost convention. In accordance with the Companies Act 1985, the Directors have adapted the prescribed formats of the financial statements as required by the special nature of the business.

**b GROSS EARNINGS UNDER FINANCE LEASES**

Gross earnings under finance leases are recognised according to the actuarial after tax method whereby pre tax and post tax profits are allocated to accounting periods so as to give a constant periodic rate of return on the net cash investment.

**c DEFERRED TAXATION**

Certain items of income and expenditure are accounted for in different periods for financial reporting purposes than for taxation purposes. Deferred taxation is provided on the full liability method in respect of timing differences which have originated but not reversed at the balance sheet date. Deferred taxation is calculated on a non-discounted basis.

**d AMOUNTS RECEIVABLE UNDER FINANCE LEASES**

Finance lease receivables are stated in the balance sheet at the amount of the net investment in the leases. Progress payments made prior to the commencement of the primary lease are included at cost together with the amount of any interest charged on such payments.

**e CASH FLOW STATEMENT**

The company is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc and is included in the consolidated financial statements of The Royal Bank of Scotland Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised).

**2 IMMEDIATE AND ULTIMATE PARENT COMPANY**

The Company's immediate parent company is R.B. Leasing (September) Limited.

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 that is incorporated in Great Britain and registered in Scotland. Financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, 42 St. Andrew Square, Edinburgh, EH2 2YE.

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, 42 St Andrew Square, Edinburgh, EH2 2YE.

## NOTES TO THE FINANCIAL STATEMENTS

## 3 RELATED PARTY TRANSACTIONS

The Company is exempt from the requirements of Financial Reporting Standard 8, 'Related Party Disclosures', to disclose transactions and balances with other subsidiaries or investees of The Royal Bank of Scotland Group plc as the results are included in the consolidated financial statements of The Royal Bank of Scotland Group plc.

There were no other related party transactions during the year or any amounts due to or from related parties outstanding at the balance sheet date.

4	TURNOVER	2005 £'000	2004 £'000
	Finance leases:		
	Rentals receivable	3,448	4,976
	Amortisation	<u>(1,407)</u>	<u>(1,567)</u>
		<u>2,041</u>	<u>3,409</u>

The Company did not enter into any new leasing transactions during the year (2004 : £Nil)

5	OPERATING PROFIT	2005 £'000	2004 £'000
	Includes the following:		
	Administrative expenses:		
	Fees & commissions	-	25
	Management charge	-	15
	Loss on disposal of finance lease	<u>59</u>	<u>-</u>
		<u>59</u>	<u>40</u>

The emoluments of Mr D Slattery are paid by fellow subsidiary company RBS Aerospace Limited which did not make a recharge to the company. He is a director of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the companies. Accordingly, the above details include no emoluments in respect of Mr Slattery.

Other 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. Costs incurred in respect of audit services to the Company are included in the management charge as shown below:

	£	£
Directors' emoluments	-	1,099
Auditors' remuneration - for audit services	325	436
Staff costs	<u>-</u>	<u>10,459</u>

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

<b>6</b>	<b>OTHER OPERATING INCOME</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
	Fee income	<u>259</u>	<u>3</u>
<b>7</b>	<b>INTEREST PAYABLE</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
	Interest payable to group undertakings	<u>1,877</u>	<u>3,140</u>
<b>8</b>	<b>TAXATION</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
	<b>A) ANALYSIS OF CHARGE FOR THE YEAR</b>		
	Current tax charge/(credit):		
	- Group relief payable/(receivable on profits for the year)	17,533	(54)
	- Adjustment in respect of prior periods	(12)	-
		<u>17,521</u>	<u>(54)</u>
	Deferred tax - origination and reversal of timing differences:		
	- Current year	(17,424)	124
	- Adjustment in respect of prior periods	45	-
		<u></u>	<u></u>
	Taxation charge on profit on ordinary activities	<u>142</u>	<u>70</u>
	<b>B) FACTORS AFFECTING THE CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR</b>		
	Profit on ordinary activities before tax	<u>364</u>	<u>232</u>
	Tax on profit on ordinary activities at the standard rate of 30% (2004: 30%)	109	70
	Capital allowances for period less/(more) than depreciation	17,424	(124)
	Adjustment to tax charge in respect of previous periods	(12)	-
		<u></u>	<u></u>
	Current tax charge/(credit)	<u>17,521</u>	<u>(54)</u>
<b>9</b>	<b>DEBTORS</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
	Amounts falling due within one year:		
	Amounts due from group undertakings	<u>19,497</u>	<u>3,118</u>
	Amounts falling due after more than year:		
	Deferred taxation (Note 11)	<u>91</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

10 CREDITORS	2005 £'000	2004 £'000
Amounts falling due within one year:		
Amounts due to group undertakings	<u>17,433</u>	<u>2,524</u>
Amounts falling due after more than one year:		
Amounts due to group undertakings:		
Between one and two years	-	1,662
Between two and five years	-	4,968
After more than five years	<u>-</u>	<u>38,250</u>
	<u>-</u>	<u>44,880</u>

A right of set-off exists over the Company's bank account with The Royal Bank of Scotland plc against advances made to the Company's immediate holding company and its subsidiaries.

Amounts falling due after more than five years are repayable by instalments with varying repayment terms. Interest rates applicable to these amounts will be determined by reference to inter bank rates for three, six and twelve months.

## 11 DEFERRED TAXATION

Movements during the year:	Deferred taxation £'000
At 1 April 2004	(17,288)
Credit to profit and loss account	<u>17,379</u>
At 31 March 2005	<u>91</u>

Full provision has been made for the potential amount of deferred taxation shown below:

	2005 £'000	2004 £'000
Accelerated capital allowances on assets financed	<u>91</u>	<u>(17,288)</u>

## 12 SHARE CAPITAL

	2005	2004
Ordinary shares of £1 each		
Authorised	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid	<u>2</u>	<u>2</u>