

Company Registration No: 04252744

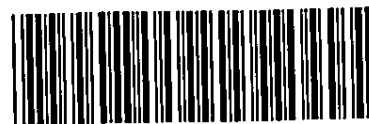
RBSSAF (27) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2007

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

MONDAY



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28/07/2008
COMPANIES HOUSE**

RBSSAF (27) LIMITED

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RBSSAF (27) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**S J Caterer
A S Devine
A C Farnell
P A Tubb**

SECRETARY:

C J Whittaker

REGISTERED OFFICE:

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

AUDITORS:

**Deloitte & Touche LLP
Bristol**

Registered in England and Wales.

RBSSAF (27) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2007

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985

The principal activity of the Company, which is a wholly owned subsidiary of Royal Bank Leasing Limited, is the provision of fixed asset finance usually involving individually structured facilities

The retained profit for the financial year was £12,304 (2006 £3,926) The directors do not recommend that a dividend be paid (2006 £nil)

The directors do not anticipate any material change in either the type or level of activities of the 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 January 2007 to date the following changes have taken place

	Appointed	Resigned
Directors		
T V Castledine		19 July 2007
A S Devine	19 July 2007	

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 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

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 Act 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 confirm that:

- (1) so far as he/she is aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- (2) 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

RISK MANAGEMENT POLICY

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.

The Company's policy is to avoid interest rate risk

Credit risk

The Company's principal financial assets are bank deposits, trade and other receivables

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of group companies 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 Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

RBSSAF (27) LIMITED

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

A handwritten signature in black ink, appearing to read 'S J Caterer', written in a cursive style.

S J Caterer
Director

Date 18 July 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBSSAF (27) LIMITED

We have audited the financial statements of RBSSAF (27) Limited ("the company") for the year ended 31 December 2007 which comprise the income statement, the balance sheet, the cash flow statement and the related Notes 1 to 16. 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 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 December 2007 and of its profit 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 & Touche LLP
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

22 July 2008

RBSSAF (27) LIMITED**INCOME STATEMENT**
for the year ended 31 December 2007

	Note	2007 £	2006 £
CONTINUING OPERATIONS			
Administrative expenses	4	<u>(758)</u>	<u>(46)</u>
OPERATING LOSS	4	(758)	(46)
Finance (costs)/income	6	<u>(1,751)</u>	<u>45</u>
LOSS BEFORE TAXATION		(2,509)	(1)
Tax credit	7	<u>14,813</u>	<u>3,927</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u><u>12,304</u></u>	<u><u>3,926</u></u>

There have been no other gains or losses in the financial year or prior year

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

RBSSAF (27) LIMITED

BALANCE SHEET
as at 31 December 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Trade and other receivables	9	7,288	-
Cash and cash equivalents	10	<u>31,491</u>	<u>-</u>
		38,779	-
TOTAL ASSETS		<u>38,779</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables	11	(212)	(32,936)
Bank overdraft and loans	12	<u>(65,000)</u>	<u>(5,801)</u>
		(65,212)	(38,737)
TOTAL LIABILITIES		<u>(65,212)</u>	<u>(38,737)</u>
NET LIABILITIES		<u>(26,433)</u>	<u>(38,737)</u>
EQUITY			
Share capital	13	100	100
Retained deficit	14	<u>(26,533)</u>	<u>(38,837)</u>
TOTAL DEFICIT		<u>(26,433)</u>	<u>(38,737)</u>

The financial statements on pages 6 to 15 were approved by the Board of Directors and authorised for issue on 18 July 2008. They were signed on its behalf by -



S J Caterer
Director

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

RBSSAF (27) LIMITED**CASH FLOW STATEMENT**
for the year ended 31 December 2007

	Note	2007 £	2006 £
NET CASH FROM OPERATING ACTIVITIES	15	<u>(10,280)</u>	<u>(7,374)</u>
FINANCING ACTIVITIES			
New bank loans raised		<u>47,572</u>	<u>-</u>
NET CASH FROM FINANCING ACTIVITIES		<u>47,572</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		37,292	(7,374)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>(5,801)</u>	<u>1,573</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>31,491</u>	<u>(5,801)</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.

IFRS 7 'Financial Instruments Disclosures' which became effective in this period introduces new disclosures relating to financial instruments but does not have any impact on the classification or valuation of the Company's financial instruments.

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.

b BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

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 FINANCIAL INSTRUMENTS

The Company's financial asset categories are loans and receivables. Loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

The Company's financial liabilities are all categorised as financial liabilities measured at amortised cost. This comprises 'bank overdraft and loans' and 'trade and other payables' in the balance sheet.

The Company does not account for any financial asset or liabilities at fair value through profit or loss.

e TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at initial recognition at fair value, and subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables do not carry any interest and are stated at their nominal value.

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

f 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

g BORROWINGS

Interest-bearing loans and bank overdrafts are initially recorded at fair value and are subsequently measured at amortised cost using the effective interest rate method

h 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

i OPERATING PROFIT/(LOSS)

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

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

The Company's policy is to avoid interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

3 PARENT COMPANIES

The Company's immediate parent company is Royal Bank Leasing 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 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

4 OPERATING LOSS

	2007 £	2006 £
Operating loss has been arrived at after charging		
Administrative expenses	<u>758</u>	<u>46</u>

Costs incurred in respect of audit services to the Company have been borne by Royal Bank Leasing Limited in 2007 and 2006. No recharge was made to the company.

5 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 (2006 nil)

6 FINANCE (COSTS)/INCOME

	2007 £	2006 £
Finance income		
Interest receivable from group undertakings	<u>-</u>	<u>45</u>
Finance costs		
Interest payable to group undertakings	<u>(1,751)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

7 TAXATION

2007
£2006
£

A) ANALYSIS OF TAX CREDIT FOR THE YEAR

Current tax credit

- Group relief receivable on loss for the year

- Adjustment in respect of prior periods

(752)

-

(14,061)(3,927)(14,813)(3,927)

Tax credit

(14,813)(3,927)

B) FACTORS AFFECTING THE TAX CREDIT FOR THE YEAR

Loss before tax

(2,509)(1)

Tax on Loss at the standard rate of 30% (2006 30%)

(752)

-

Adjustment to tax charge in respect of previous periods

(14,061)(3,927)

Tax credit

(14,813)(3,927)

8 FINANCIAL INSTRUMENTS

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

	Carrying value 2007 £	Fair value 2007 £	Carrying value 2006 £	Fair value 2006 £
Loans and receivables				
Trade and other receivables	7,288	7,288	-	-
Cash and cash equivalents	<u>31,491</u>	<u>31,491</u>	<u>-</u>	<u>-</u>
Financial assets	<u>38,779</u>	<u>38,779</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortised cost				
Trade and other payables	212	212	32,936	32,936
Bank overdraft and loans	<u>65,000</u>	<u>65,000</u>	<u>5,801</u>	<u>5,801</u>
Financial liabilities	<u>65,212</u>	<u>65,212</u>	<u>38,737</u>	<u>38,737</u>

NOTES TO THE FINANCIAL STATEMENTS

8 FINANCIAL INSTRUMENTS - CONTINUED

b) Financial instrument - carrying amount by market risk exposure	2007 £	2006 £
Interest rate risk		
Financial assets		
- variable rate	31,491	-
- non-interest bearing	7,288	-
	<u>38,779</u>	<u>-</u>
Financial liabilities		
- variable rate	65,000	5,801
- non-interest bearing	212	32,936
	<u>65,212</u>	<u>38,737</u>

If market interest rates had been higher or lower the profit or loss and equity of the Company would not have been materially affected

c) Financial asset - credit quality	2007 £	2006 £
Summary and concentration of credit risk		
- maximum credit exposure and neither past due nor impaired		
Group undertakings	<u>38,779</u>	<u>-</u>

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

d) Liquidity risk

Contractual cashflows payable to maturity on financial liabilities on an undiscounted basis, all amounts are due within 1 year,

	2007 £	2006 £
Trade payables	212	32,936
Bank overdraft and loans	65,325	5,801
	<u>65,537</u>	<u>38,737</u>

9 TRADE AND OTHER RECEIVABLES

	2007 £	2006 £
Amounts due from group undertakings	<u>7,288</u>	<u>-</u>

10 CASH AND CASH EQUIVALENTS

	2007 £	2006 £
Bank account with group undertakings	<u>31,491</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

11 TRADE AND OTHER PAYABLES

2007
£

2006
£

Amounts due to group undertakings

212

32,936

12 BANK OVERDRAFT AND LOANS

2007
£

2006
£

Borrowings repayable on demand or within one year

Bank overdraft due to group undertakings
Loan amount due to group undertakings

-
65,000

5,801

-

65,000

5,801

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

The effective interest rate on the loan is variable at 6.6% p.a. and the contractual maturity date is in 2008

13 SHARE CAPITAL

2007
Number of shares

2006

2007
£

2006
£

Ordinary Shares of £1

Authorised

- Ordinary shares of £1 each

100

100

100

100

Issued, called up and fully paid

- Ordinary shares of £1 each

100

100

100

100

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

14 RETAINED DEFICIT

£

Balance at 1 January 2006

(42,763)

Profit for the financial year

3,926

Balance at 1 January 2007

(38,837)

Profit for the financial year

12,304

Balance at 31 December 2007

(26,533)

RBSSAF (27) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
15 NOTES TO THE CASH FLOW STATEMENT

	2007 £	2006 £
Loss before tax	(2,509)	(1)
Adjustments for Interest expense/(income)	<u>1,751</u>	<u>(45)</u>
Operating cash flows before movements in working capital	(758)	(46)
Income taxes paid	(7,983)	(7,373)
Interest (paid)/received	<u>(1,539)</u>	<u>45</u>
Net cash from operating activities	<u>(10,280)</u>	<u>(7,374)</u>

16 RELATED PARTY TRANSACTIONS

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

	2007 £	2006 £
Royal Bank Leasing Limited		
Transactions during the period		
- Interest on loan (paid to)/received from related party	(1,751)	45
- Group relief paid	7,983	7,373
- Additional borrowing from related party	<u>47,572</u>	<u>-</u>
Group relief owed by/(owed to) related party	7,288	(15,508)
Outstanding balance owed to the related party	<u>(65,211)</u>	<u>(17,428)</u>
The Royal Bank of Scotland plc		
Bank account held with related party	<u>31,491</u>	<u>(5,801)</u>

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.