

Company Registration No· 04252744

RBSSAF (27) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

Group Secretariat
The Royal Bank of Scotland Group plc
Business House G
Gogarburn
P O Box 1000
Edinburgh
EH12 1HQ

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RBSSAF (27) LIMITED

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RBSSAF (27) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	S Caterer P Sullivan R Warren J Rogers
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SECRETARY	C Whittaker
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REGISTERED OFFICE	The Quadrangle The Promenade Cheltenham Gloucestershire GL50 1PX
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AUDITORS	Deloitte LLP Bristol
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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 2009

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the provisions applicable to Companies entitled to the small companies exemption

The principal activity of the Company is the provision of fixed asset finance usually involving individually structured facilities. The Company has no active leases at present and will be guided by its parent company in looking for future opportunities

The retained profit for the period was £1 (2008 £943) and this was transferred to reserves. The directors do not recommend that a dividend be paid (2008 £nil)

The directors do not anticipate any material change in either the type or level of activities of the Company including regarding the continued availability of sufficient resources from the group

The directors, having made such enquiries as they considered appropriate, including regarding the continued availability of sufficient resources from Group, have prepared the financial statements on a going concern basis. They considered the financial statements of The Royal Bank of Scotland Group plc for the year ended 31 December 2009, approved on 24 February 2010, which were prepared 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 January 2009 to date the following changes have taken place

	Appointed	Resigned
Directors		
I Shephard		10 February 2009
J Rogers	16 March 2009	

DIRECTORS' RESPONSIBILITIES

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

RBSSAF (27) LIMITED

DIRECTORS' REPORT - continued

DIRECTORS' RESPONSIBILITIES - continued

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 enable them to ensure that the financial statements comply with 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.

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 418 of the Companies Act 2006.

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



S Caterer
Director

Date 29 June 2010

INDEPENDENT AUDITOR'S 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 2009 which comprise the statement of comprehensive income, the balance sheet, the cash flow statement, the statement of changes in equity and the related Notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Standards (IFRSs) as adopted by the European Union.

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 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
have been properly prepared in accordance with IFRSs as adopted by the European Union, and
have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 are not entitled to take advantage of the small companies exemption in preparing the directors report.



Simon Cleveland (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom

30 June 2010

RBSSAF (27) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	Note	2009 £	2008 £
CONTINUING OPERATIONS			
Finance income	5	<u>1</u>	<u>1,320</u>
PROFIT BEFORE TAXATION		1	1,320
Tax charge	6	<u>-</u>	<u>(377)</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u><u>1</u></u>	<u><u>943</u></u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income after tax		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1</u></u>	<u><u>943</u></u>

BALANCE SHEET
 as at 31 December 2009

	Note	2009 £	2008 £
CURRENT ASSETS			
Trade and other receivables	8	-	2,491
Cash and cash equivalents	9	-	1
		-	2,492
TOTAL ASSETS		-	2,492
CURRENT LIABILITIES			
Trade and other payables	10	(1,129)	(376)
Borrowings	11	(24,360)	(27,606)
		(25,489)	(27,982)
TOTAL LIABILITIES		(25,489)	(27,982)
NET LIABILITIES		(25,489)	(25,490)
DEFICIT			
Share capital	12	100	100
Retained losses	13	(25,589)	(25,590)
TOTAL DEFICIT		(25,489)	(25,490)

The financial statements were approved by the Board of Directors on 29 June 2010 and signed on its behalf by



S J Caterer
Director

RBSSAF (27) LIMITED**CASH FLOW STATEMENT**
for the year ended 31 December 2009

	Note	2009 £	2008 £
NET CASH FROM OPERATING ACTIVITIES	14	<u>3,245</u>	<u>5,904</u>
FINANCING ACTIVITIES			
Repayments of borrowings		<u>(3,246)</u>	<u>(37,394)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(3,246)</u>	<u>(37,394)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1)	(31,490)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>1</u>	<u>31,491</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	9	<u><u>-</u></u>	<u><u>1</u></u>

RBSSAF (27) LIMITED

STATEMENT OF CHANGES IN EQUITY
as at 31 December 2009

	Share Capital £	Retained Earnings £	Total Equity £
BALANCE AT 1 JANUARY 2008	100	(26,533)	(26,433)
Total comprehensive income for the year	-	943	943
BALANCE AT 1 JANUARY 2009	100	(25,590)	(25,490)
Total comprehensive income for the year	-	1	1
BALANCE AT 31 DECEMBER 2009	100	(25,589)	(25,489)

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 balances owed to fellow group companies, the directors believe that there have been no significant judgements and assumptions involved in the Company's accounting policies.

The accounts, which should be read in conjunction with the Directors' Report, are prepared on a going concern basis and in accordance with IFRS.

b ADOPTION OF NEW AND REVISED STANDARDS

The company has adopted the revisions to IAS 1 "Presentation of financial statements" which introduced a single performance statement "Statement of Comprehensive Income" and extended the "Statement of Changes in Equity" no items were restated or reclassified.

c BORROWING COSTS

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

d 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.

e 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 'borrowings' and 'trade and other payables' in the balance sheet.

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

f TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured on 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.

g 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.

h BORROWINGS

Borrowings are initially recorded at fair value and are subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES - continued

i 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.

j OPERATING PROFIT

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 does not have any interest bearing borrowings.

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 has no currency risk.

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. Any shortfall in cash flows will be met by a capital contribution from the parent company.

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 AUDIT COSTS

Costs incurred in respect of audit services to the Company have been borne by Royal Bank Leasing Limited in 2009 and 2008. No recharge was made to the company. The amounts that would have been recharged are:

	2009 £	2008 £
Auditors' remuneration - for audit services	<u>564</u>	<u>564</u>

4 STAFF COSTS

All directors are employed and remunerated by The Royal Bank of Scotland plc, which did not make a recharge to the Company in the year (2008: nil).

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

5 FINANCE INCOME

	2009 £	2008 £
Interest receivable from group undertakings	<u>1</u>	<u>1,320</u>

6 TAXATION

a ANALYSIS OF TAX CHARGE FOR THE YEAR

Current tax charge

- Group relief payable on profit for the year	-	376
- Adjustment in respect of prior periods	<u>-</u>	<u>1</u>
	-	377

Deferred tax - origination and reversal of timing differences

- Current year	-	-
- Impact of rate change from 30% to 28%	-	-
- Adjustment in respect of prior periods	<u>-</u>	<u>-</u>

Tax charge	<u>-</u>	<u>377</u>
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b FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

Profit before tax	<u>1</u>	<u>1,320</u>
Tax on profit at the rate of 28% (2008: blended rate 28.5%)	-	376
Adjustment to tax charge in respect of prior periods	<u>-</u>	<u>1</u>
Tax charge	<u>-</u>	<u>377</u>

The standard corporation tax rate changed from 30% to 28% effective from 1 April 2008.

NOTES TO THE FINANCIAL STATEMENTS

7 FINANCIAL INSTRUMENTS

a CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENT BY CATEGORY

	Carrying value 2009 £	Fair value 2009 £	Carrying value 2008 £	Fair value 2008 £
Loans and receivables				
Trade and other receivables	-	-	2,491	2,491
Cash and cash equivalents	-	-	1	1
Financial assets	<u>-</u>	<u>-</u>	<u>2,492</u>	<u>2,492</u>
Financial liabilities measured at amortised cost				
Trade and other payables	1,129	1,129	376	376
Borrowings	<u>24,360</u>	<u>24,360</u>	<u>27,606</u>	<u>27,606</u>
Financial liabilities	<u>25,489</u>	<u>25,489</u>	<u>27,982</u>	<u>27,982</u>

b FINANCIAL INSTRUMENT - CARRYING AMOUNT BY MARKET RISK EXPOSURE

	2009 £	2008 £
Interest rate risk		
Financial assets		
- variable rate	-	1
- non-interest bearing	-	2,491
	<u>-</u>	<u>2,492</u>
Financial liabilities		
- non-interest bearing	<u>25,489</u>	<u>27,982</u>
	<u>25,489</u>	<u>27,982</u>

If market interest rates had been 2% (2008: 1%) higher or lower the profit or loss and equity of the Company would not have been materially affected (2008: £550 higher or lower)

c FINANCIAL ASSET - CREDIT QUALITY AND CONCENTRATION OF CREDIT RISK

	2009 £	2008 £
Maximum credit exposure and neither past due nor impaired		
Group undertakings	<u>-</u>	<u>2,492</u>

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

d LIQUIDITY RISK

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

	2009 £	2008 £
All amounts due in less than 1 year		
Trade payables	1,129	376
Borrowings	<u>24,360</u>	<u>27,606</u>
	<u>25,489</u>	<u>27,982</u>

• NOTES TO THE FINANCIAL STATEMENTS

8 TRADE AND OTHER RECEIVABLES	2009 £	2008 £
Amounts due from group undertakings	<u>-</u>	<u>2,491</u>
9 CASH AND CASH EQUIVALENTS	2009 £	2008 £
Bank account with group undertakings	<u>-</u>	<u>1</u>
10 TRADE AND OTHER PAYABLES	2009 £	2008 £
Amounts due to group undertakings	<u>1,129</u>	<u>376</u>
11 BORROWINGS	2009 £	2008 £
Borrowings repayable on demand or within one year		
Loan amount due to group undertakings	<u>24,360</u>	<u>27,606</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

The effective interest rate on the loan is 0% (2008 0%) p a

12 SHARE CAPITAL	2009 Number of shares	2008 Number of shares	2009 £	2008 £
Ordinary shares of £1				
Authorised	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Issued, called up and fully paid	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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

13 RETAINED EARNINGS	£
Balance at 1 January 2008	(26,533)
Profit for the financial year	<u>943</u>
Balance at 1 January 2009	(25,590)
Profit for the financial year	<u>1</u>
Balance at 31 December 2009	<u>(25,589)</u>

14 NOTES TO THE CASH FLOW STATEMENT

	2009 £	2008 £
Profit before tax	1	1,320
Adjustments for		
Interest income	-	(1,320)
Decrease in receivables	2,491	-
Cash generated by operations	2,492	-
Income taxes received	753	7,287
Interest paid	-	(1,383)
Net cash from operating activities	3,245	5,904

15 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 December 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.

RELATED PARTY TRANSACTIONS

	2009 £	2008 £
Royal Bank Leasing Limited		
Transactions during the period		
Interest on loan paid to related party	-	1,320
Group relief received from related party	753	7,287
Loan repaid to related party	3,246	37,394
Balances at year end		
Group relief owed to related party	(1,129)	-
Outstanding balance owed to related party	(24,360)	(25,492)
The Royal Bank of Scotland plc		
Balances at year end		
Bank account with group undertakings	-	1

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.