

Company Registered No: 04985592

RBSSAF (10) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 30 November 2014

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RBSSAF (10) LIMITED

04985592

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

S J Caterer
T D Crome

SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

The Quadrangle
The Promenade
Cheltenham
GL50 1PX

INDEPENDENT AUDITOR:

Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Registered in England and Wales

DIRECTORS' REPORT

The directors of RBSSAF (10) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 30 November 2014.

ACTIVITIES AND BUSINESS REVIEW

The 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 principle activity of the company was the provision of fixed asset finance usually involving individually structured facilities. The company's sole lease matured post year end at which point the asset was disposed of. The asset was held for sale at year-end.

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 £939,000 (2013: £1,005,000) and this was transferred to reserves. A dividend of £nil (2013: £1,000,000) was paid during the year.

PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

As explained in note 1, in the year ended 30 November 2014 the Company has changed from reporting under International Financial Reporting Standards (IFRS) adopted by the European Union (EU) to Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) as issued by the Financial Reporting Council which the Company has adopted early. This change has not had a material effect on the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company seeks to minimise its exposure to financial risks other than equity and 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 the functional currency and carry no significant financial risk.

The Company has exposure to asset risk on the residual value of property, plant and equipment.

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 18).

DIRECTORS' REPORT**PRINCIPAL RISKS AND UNCERTAINTIES (continued)****Credit risk**

The objective of credit risk management is to enable the Company to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved appetite for the risk that customers will be unable to meet their obligations to the Company (see note 18).

The key principles of the Group's Credit Risk Management Framework are set out below:

- approval of all credit exposure is granted prior to any advance or extension of credit;
- an appropriate credit risk assessment of the customer and credit facilities is undertaken prior to approval of credit exposure. This includes a review of, amongst other things, the purpose of credit and sources of repayment, compliance with affordability tests, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return;
- credit risk authority is delegated by the Board and specifically granted in writing to all individuals involved in the granting of credit approval. In exercising credit authority, the individuals act independently of any related business revenue origination; and
- all credit exposures, once approved, are effectively monitored and managed and reviewed periodically against approved limits. Lower quality exposures are subject to a greater frequency of analysis and assessment.

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.

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 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 Company's final lease matured after the balance sheet date and the Company entered into an agreement for the sale of the asset that had previously been leased. Consequently, the Company ceased to trade and the Directors do not expect to write further contracts. The Directors intend to wind up the Company in due course. Accordingly, as required by IAS 1.25 'Presentation of Financial Statements', the Directors have prepared the financial statements on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the 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 December 2013 to date the following changes have taken place:

	Appointed	Resigned
Directors		
P D J Sullivan	-	31 December 2013
J E Rogers	-	01 April 2014
R F Warren	-	01 April 2014
N T J Clibbens	01 April 2014	27 February 2015
T D Crome	01 April 2014	-
A P Gadsby	01 April 2014	11 May 2015

DIRECTORS' REPORT**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws 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 101 Reduced Disclosure Framework (FRS 101) 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.

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
- the director has 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.

INDEPENDENT AUDITOR

Deloitte LLP has expressed its willingness to continue in office as auditor.

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



S J Caterer
Director

Date: 5 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBSSAF (10) LIMITED

We have audited the financial statements of RBSSAF (10) Limited ('the Company') for the year ended 30 November 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 November 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBSSAF (10) LIMITED

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 were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report or in preparing the Directors' Report.

Mark Taylor

Mark Taylor, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
Bristol, United Kingdom

18 July 2015

PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2014

	Notes	2014 £'000	2013 £'000
Discontinued operations			
Turnover	3	5,401	5,678
Cost of sales		(3,522)	(3,685)
Operating expenses	4	(11)	(7)
Operating profit		1,868	1,986
Finance income	5	1	-
Finance costs	6	(172)	(195)
Profit on ordinary activities before tax		1,697	1,791
Tax charge	7	(758)	(786)
Profit and total comprehensive income for the year		939	1,005

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

BALANCE SHEET
as at 30 November 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Property, plant and equipment	9	-	38,215
Current assets			
Trade and other receivables	11	7	-
Assets held for sale	12	34,693	-
Prepayments, accrued income and other assets	13	8,163	1,626
		<u>42,863</u>	<u>1,626</u>
Total assets		<u>42,863</u>	<u>39,841</u>
Creditors: amounts falling due within one year			
Borrowings	14	37,649	35,335
Trade and other payables	15	293	268
Accruals, deferred income and other liabilities	16	12	41
		<u>37,954</u>	<u>35,644</u>
Total assets less current liabilities		<u>4,909</u>	<u>4,197</u>
Creditors: amounts falling due after more than one year			
Deferred tax liability	17	2,298	2,525
Total liabilities		<u>40,252</u>	<u>38,169</u>
Equity: capital and reserves			
Called up share capital	19	-	-
Profit and loss account		2,611	1,672
Total shareholders' funds		<u>2,611</u>	<u>1,672</u>
Total liabilities and shareholders' funds		<u>42,863</u>	<u>39,841</u>

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 5 June 2015 and signed on its behalf by:



S J Caterer
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 November 2014

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 December 2012	-	1,667	1,667
Profit and total comprehensive income for the year	-	1,005	1,005
Dividends paid (see note 8)	-	(1,000)	(1,000)
At 30 November 2013	-	1,672	1,672
Profit and total comprehensive income for the year	-	939	939
At 30 November 2014	-	2,611	2,611

Total comprehensive income for the year of £939,000 (2013: £1,005,000) 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 basis other than going concern and have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS) and under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

Accordingly, in the year ended 30 November 2014 the Company has undergone transition from reporting under IFRSs adopted by the EU to FRS 101 as issued by the Financial Reporting Council which the Company has adopted early. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, presentation of a Cash-Flow Statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of The Royal Bank of Scotland Group plc; these financial statements are available to the public and can be obtained as set out in note 20.

The financial statements are prepared on the historical cost basis.

The Company's financial statements are presented in Sterling which is the functional currency of the Company.

The Company is incorporated in the UK and registered in England and Wales. The Company's financial statements are presented in accordance with the Companies Act 2006.

The Company sold its sole operating leased asset to a third party and the Company is not expected to write further contracts into this entity. This does not require the Company to re-measure or reclassify the settlement dates of any assets or liabilities. IAS 1.25 'Presentation of Financial Statements' describes the preparation of financial statements in such circumstances as being other than on the going concern basis.

There are a number of changes to IFRS that were effective from 1 December 2013. They have had no material effect on the Company's financial statements for the year ended 30 November 2014.

b) Revenue recognition

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

Rental income from operating leases is recognised in the Profit and Loss Account on a straight-line basis over the lease term unless another systematic basis better represents the time pattern of the asset's use.

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.

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) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

Depreciation is charged to profit or loss on a straight-line basis so as to write-off the depreciable amount of property, plant and equipment (including assets owned and let on operating leases) over their estimated useful lives.

The depreciable amount is the cost of an asset less its residual value. Assets held for use under operating leases are depreciated over the term of the lease.

The residual value and useful life of property, plant and equipment are reviewed at each balance sheet date and updated for any changes to previous estimates.

e) Assets held for sale

A non-current asset is classified as held for sale if the Company will recover its carrying amount principally through a sale transaction rather than through continuing use. A non-current asset classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell. If the asset is acquired as part of a business combination it is initially measured at fair value less costs to sell. Non-current assets classified as held for sale are shown separately on the face of the balance sheet.

f) Impairment of property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that its property, plant and equipment are impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss if any.

g) 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.

Operating lease assets are included within Property, plant and equipment and depreciated over their useful lives. (see accounting policy 1(d)).

h) Financial assets

On initial recognition, financial assets are classified into held-to-maturity investments; held-for-trading; designated as at fair value through profit or loss; loans and receivables; or available-for-sale 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 (see accounting policy 1(b)) less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

i) 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 held-to-maturity, available-for-sale or 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.

j) Financial liabilities

On initial recognition financial liabilities are classified into held-for-trading; designated as at fair value through profit or loss; or amortised cost.

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.

k) 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.

A financial liability is removed from the Balance Sheet when the obligation is discharged, cancelled or expires.

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. UK company law and IFRS require the directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. In the absence of an applicable standard or interpretation, IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements. The judgements and assumptions involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

Residual values

The Company assesses objective evidence for impairment of residual values at each balance sheet date adjusting the depreciation recognised on operating leases amount accordingly. An impairment loss is incurred and measured as the shortfall between the carrying value of the residual interest and the discounted value of the estimated future cash flows, including cash flows from guarantors.

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.

The depreciation charge for operating lease assets shown in the accounts is dependent upon the residual value ascribed to the asset as described in note 1 (d) above.

3. Turnover

	2014 £'000	2013 £'000
Operating lease income:		
Rent receivable	6,609	7,058
Contingent rental expense	(1,208)	(1,380)
	<u>5,401</u>	<u>5,678</u>

The Company did not enter into any new leasing transactions during the year (2013: £nil).

NOTES TO THE FINANCIAL STATEMENTS

4. Operating expenses

	2014 £'000	2013 £'000
Management fees	11	7

Staff costs, number of employees and directors' emoluments

All staff and directors were employed by group companies and the financial statements of The Royal Bank of Scotland Group plc contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The Company has no employees and pays a management charge for services provided by other Group companies. The directors of the Company do not receive remuneration for specific services provided to the Company.

Management recharge

Management charges relate to the Company's share of group resources such as the use of IT platforms, staff and a share of central resources. These are re-charged on an annual basis by Royal Bank Leasing Limited.

Auditor's remuneration

	2014 £'000	2013 £'000
Auditor's remuneration – audit services (included within the management fee shown above)	7	7

5. Finance income

	2014 £'000	2013 £'000
On loans receivables from group undertakings	1	-

6. Finance costs

	2014 £'000	2013 £'000
Interest on loans from group undertakings	172	195

7. Tax

	2014 £'000	2013 £'000
Current taxation:		
UK corporation tax charge for the year	985	1,093
Deferred taxation:		
Credit for the year	(154)	(153)
Impact of tax rate changes	-	(154)
Over provision in respect of prior periods	(73)	-
	(227)	(307)
Tax charge for the year	758	786

Where appropriate current tax consists of sums payable or receivable for group relief.

The actual tax charge differs from the expected tax charge computed by applying the blended rate of UK corporation tax of 21.66% (2013: 23.3%) as follows:

NOTES TO THE FINANCIAL STATEMENTS

7. Tax (continued)

	2014 £'000	2013 £'000
Expected tax charge	368	417
Other non-deductible items	463	523
Reduction in deferred tax asset following change in rate of UK corporation tax	-	(154)
Adjustments in respect of prior periods	(73)	-
Actual tax charge for the year	758	786

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted in July 2013 now standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The closing deferred tax assets and liabilities have been calculated at 21% in accordance with the rates enacted at the balance sheet date.

8. Ordinary dividends

	2014 £'000	2013 £'000
Interim dividend paid	-	1,000

9. Property, plant and equipment

	Assets held for use in operating leases £'000
2014	
Cost	
At 1 December 2013	70,593
Transfer to assets held for sale	(70,593)
At 30 November 2014	-
Accumulated depreciation and impairment	
At 1 December 2013	32,378
Depreciation charge for the year	3,522
Transfer to assets held for sale	(35,900)
At 30 November 2014	-
Net book value	
At 30 November 2014	-
At 30 November 2013	38,215

Security

No property, plant and equipment has been pledged as security for liabilities of the Company (2013: none).

NOTES TO THE FINANCIAL STATEMENTS

10. Operating lease arrangements

At the balance sheet date, the Company had contracted with customers for the following future minimum lease rentals receivable under non-cancellable operating leases:

	Within 1 year £'000	Total £'000
2014	122	122

2013	7,857	7,857
------	-------	-------

	2014 £'000	2013 £'000
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Nature of operating lease assets in the balance sheet:

Transport (Property, plant and equipment)	-	38,215
Transport (Assets held for sale)	34,693	-
	34,693	38,215

11. Trade and other receivables

	2014 £'000	2013 £'000
Due within one year		
Value added tax recoverable	7	-

12. Assets held for sale

	2014 £'000	2013 £'000
Former operating lease assets	34,693	-

13. Prepayments, accrued income and other assets

	2014 £'000	2013 £'000
Accrued income	109	1,357
Group relief receivable from Group undertakings	8,019	269
Other assets	35	-
	8,163	1,626

14. Borrowings

	2014 £'000	2013 £'000
Current – due within one year		
Loans from Group undertakings	37,649	35,335

NOTES TO THE FINANCIAL STATEMENTS

15. Trade and other payables

	2014 £'000	2013 £'000
Due within one year		
Other payables	293	268

16. Accruals, deferred income and other liabilities

	2014 £'000	2013 £'000
Accruals	12	41

17. Deferred tax

Net deferred tax liability comprises:

	Capital allowances £'000	Other £'000	Total £'000
At 1 December 2012	2,826	6	2,832
Credit to profit and loss account	(301)	(6)	(307)
At 30 November 2013	2,525	-	2,525
Credit to profit and loss account	(227)	-	(227)
At 30 November 2014	2,298	-	2,298

18. Financial instruments and risk management

(i) Fair value of financial instruments not carried at fair value

There is no difference between the fair value of financial instruments carried on the balance sheet and their carrying value.

All financial assets are classed as loans and receivables. All financial liabilities are classed as amortised cost.

(ii) Financial risk management

The principal risks associated with the Company's businesses 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.

NOTES TO THE FINANCIAL STATEMENTS

18. Financial instruments and risk management (continued)

(ii) Financial risk management (continued)

The interest profile of the Company's assets and liabilities is as follows:

	Variable rate Within one year £'000	Non-interest earning Within one year £'000	Total £'000
2014			
Financial assets			
Prepayments, accrued income and other assets	-	35	35
Financial liabilities			
Borrowings	37,649	-	37,649
Trade and other payables	-	293	293
Accruals and other liabilities	-	12	12
	37,649	305	37,954
Net financial liabilities	(37,649)	(270)	(37,919)

	Variable rate £'000	Non-interest earning £'000	Total £'000
2013			
Financial liabilities			
Borrowings	35,335	-	35,335
Trade and other payables	-	268	268
Accruals and other liabilities	-	41	41
	35,335	309	35,644
Net financial liabilities	(35,335)	(309)	(35,644)

Assuming that the balances receivable and/or payable at the balance sheet date were receivable and/or payable for the whole year, had interest rates been 0.5% higher and all other variables held constant, the Company's profit before tax for the year would have decreased by £35,000 (2013: profit before tax for the year would have decreased by £15,000). This is mainly due to the Company's exposure to interest rates on its variable rate cash balances. There would be no other impact on equity.

NOTES TO THE FINANCIAL STATEMENTS

18. Financial instruments and risk management (continued)

(ii) Financial risk management (continued)

Financial liabilities

The following table shows by contractual maturity the undiscounted cash flows payable from the balance sheet date including future interest payments

	0-3 months £'000	3-12 months £'000
2014		
Borrowings	37,666	-
Trade and other payables	293	-
Accruals and other liabilities	12	-
	37,971	-
	0-3 months £'000	3-12 months £'000
2013		
Borrowings	4,325	31,189
Trade and other payables	268	-
Accruals, deferred income and other liabilities	41	-
	4,634	31,189

The Company's intra-Group liabilities may in certain circumstances become repayable on demand pursuant to the terms of the capital support deed (see note 20).

19. Share capital

	2014 £	2013 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Allotted, called-up and fully paid:		
Equity shares		
2 Ordinary shares of £1 each	2	2

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

NOTES TO THE FINANCIAL STATEMENTS**20. Related parties****UK Government**

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly-owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of taxes including UK corporation tax and value added tax.

Group undertakings

The Company's immediate parent company is Royal Bank Leasing Limited, a company incorporated in the UK. As at 30 November 2014, The Royal Bank of Scotland plc heads the smallest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in the UK. As at 30 November 2014, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh EH12 1HQ.

Capital Support Deed

The Company, together with other members of the RBSG Group companies, is party to a capital support deed (CSD). Under the terms of the CSD, the Company may be required, if compatible with its legal obligations, to make distributions on, or repurchase or redeem, its ordinary shares. The amount of this obligation is limited to the Company's immediately accessible funds or assets, rights, facilities or other resources that, using best efforts, are reasonably capable of being converted to cleared, immediately available funds (the Company's available resources). The CSD also provides that, in certain circumstances, funding received by the Company from other parties to the CSD becomes immediately repayable, such repayment being limited to the Company's available resources.

21. Post balance sheet events

On 4 December 2014 the Company entered into an agreement for the sale of the asset held for sale for net consideration of £39m.