

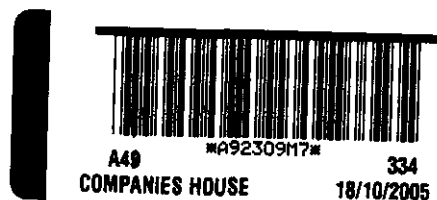
Company Registration No: 4985593

RBSSAF (13) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2004

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



RBSSAF (13) LIMITED

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RBSSAF (13) 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 report and the audited financial statements for the year ended 31 December 2004.

The company commenced trading on 24 November 2004.

ACTIVITIES AND BUSINESS REVIEW

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 company's activities are undertaken predominantly in US Dollars and financial statements are therefore presented in that currency.

The accumulated loss for the year was \$2,000 (2003: \$nil) and this was transferred to reserves. The directors do not recommend that a dividend be paid.

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 January 2004 to date the following changes have taken place:

Directors	Appointed	Resigned
Graham Colin Clemett		29 February 2004
Nigel Pearce		18 March 2004
William Vaughan Latter		7 June 2004
Sharon Jill Caterer	1 March 2004	
Domhnal Slattery	18 March 2004	19 July 2004
Philip Anthony Tubb	19 May 2004	
Trevor Vaughan Castledine	18 June 2004	

DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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 December 2005, 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 December 2004 bears to the amounts invoiced by suppliers during the period then ended equated to nil days proportion of 365 days (2003: nil).

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.

RBSSAF (13) 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: 12 October 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBSSAF (13) LIMITED

We have audited the financial statements of RBSSAF (13) Limited for the year ended 31 December 2004, which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 December 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol

17 October 2005

RBSSAF (13) LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Note	CONTINUING OPERATIONS	
		2004	Period from 5 December 2003 to 31 December 2003
		\$'000	\$'000
Turnover	4	2,657	-
Administrative expenses	5	(2,465)	-
OPERATING PROFIT	5	192	-
Interest payable	6	(195)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3)	-
Taxation credit on loss on ordinary activities	7	1	-
ACCUMULATED LOSS FOR THE YEAR	12	(2)	-

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

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

The notes on pages 8 to 13 form part of these financial statements.

RBSSAF (13) LIMITED
BALANCE SHEET
as at 31 December 2004

	Note	2004 \$'000	2003 \$'000
CURRENT ASSETS			
DEBTORS:			
Finance lease receivables due after more than one year		78,502	-
Other debtors	8	<u>1,046</u>	<u>-</u>
		79,548	-
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(3,892)</u>	<u>-</u>
NET CURRENT ASSETS		<u>75,656</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		75,656	-
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(74,968)	-
PROVISIONS FOR LIABILITIES AND CHARGES	10	<u>(690)</u>	<u>-</u>
NET LIABILITIES		<u>(2)</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	<u>(2)</u>	<u>-</u>
TOTAL SHAREHOLDERS' DEFICIT	13	<u>(2)</u>	<u>-</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 12 October 2005 and were signed on its behalf by :-



S J Caterer
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements on pages 6 to 13 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 FOREIGN CURRENCY

Assets or liabilities denominated in foreign currency are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency are translated at an average rate for the period. Foreign currency lease transactions, together with their related liabilities, are regarded as a separate group of assets and liabilities and accounted for in foreign currency. Any exchange differences arising on these transactions are taken to reserves. Other exchange differences are included in operating profit.

e 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.

f 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).

NOTES TO THE FINANCIAL STATEMENTS

2 IMMEDIATE AND ULTIMATE PARENT COMPANY

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 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, Gogarburn, PO Box 1000, 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, PO Box 1000, Edinburgh, EH12 1HQ.

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

	2004 \$'000	Period from 5 December 2003 to 31 December 2003 \$'000
Finance leases:		
Rentals receivable	<u>2,657</u>	<u>-</u>
Capital cost of asset additions financed:		
Finance leases	<u>77,972</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

5 OPERATING PROFIT

	Period from 5 December 2003 to 31 December 2003
2004	\$'000

Includes the following:

Administrative expenses:

Fees & commissions

Other

2,464	-
<u>1</u>	<u>-</u>
<u>2,465</u>	<u>-</u>

The emoluments of Mr G C Clemett and Mr D Slattery are paid by fellow subsidiary companies, Lombard North Central PLC and RBS Aerospace Limited respectively, neither of which make a recharge to the company. They are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies. Accordingly, the above details include no emoluments in respect of these directors.

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 2004 nor 2003.

The auditors' remuneration for audit services in the period was borne by Royal Bank Leasing Limited which made no recharge to the company, in 2004 nor 2003.

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.

6 INTEREST PAYABLE

	Period from 5 December 2003 to 31 December 2003
2004	\$'000

Interest payable to group undertakings

<u>195</u>	<u>-</u>
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NOTES TO THE FINANCIAL STATEMENTS

7 TAXATION

Period from
5 December 2003 to
31 December 2003
\$'000

A) ANALYSIS OF CHARGE FOR THE PERIOD

Current tax credit:

- Group relief receivable on profits for the period

(691)

-

Deferred tax - origination and reversal of timing differences:

- Current period

690

-

Taxation charge on profit on ordinary activities

(1)

-

B) FACTORS AFFECTING THE CURRENT TAX CREDIT FOR THE PERIOD

Profit on ordinary activities before tax

(3)

-

Tax on profit on ordinary activities at the standard rate of 30% (2003: 30%)

(1)

-

Capital allowances for period more than depreciation

(690)

-

Current tax credit

(691)

-

8 OTHER DEBTORS

2004
\$'000

2003
\$'000

Amounts falling due within one year:

Amounts due from group undertakings

694

-

Other debtors

352

-

1,046

-

RBSSAF (13) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9 CREDITORS	2004 \$'000	2003 \$'000
Amounts falling due within one year:		
Amounts due to group undertakings	3,556	-
Other creditors	<u>336</u>	<u>-</u>
	<u>3,892</u>	<u>-</u>
Amounts falling due after more than one year:		
Amounts due to group undertakings:		
Between one and two years	4,850	-
Between two and five years	8,502	-
After more than five years	<u>61,616</u>	<u>-</u>
	<u>74,968</u>	<u>-</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.

10 PROVISIONS FOR LIABILITIES AND CHARGES

Movements during the year:	Deferred taxation \$'000
At 1 January 2004	-
Charge to profit and loss account	<u>690</u>
At 31 December 2004	<u>690</u>

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

	2004 \$'000	2003 \$'000
Accelerated capital allowances on assets financed	<u>690</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

11 SHARE CAPITAL

	31 December 2004 Base currency	31 December 2003 Base currency	31 December 2004 \$ equivalent	31 December 2003 \$ equivalent
Authorised:				
- Deferred shares of £1 each	100	100	193	179
- Ordinary shares of \$1 each	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
			<u>1,193</u>	<u>179</u>
Alotted, called-up and fully paid:				
- Deferred shares of £1 each	2	2	4	4
Alotted, called-up and not yet paid:				
- Ordinary shares of \$1 each	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
			<u>104</u>	<u>4</u>

On 3 February 2004 it was resolved that the authorised share capital of £100 Ordinary shares of £1 each of the company, including the issued share capital of 2 Ordinary shares of £1 be converted to 100 Deferred shares of £1

On 3 February 2004 it was also resolved that the authorised share capital be increased 1,000 ordinary shares of \$1 each. 100 ordinary \$1 shares were issued at par on this same date. \$100 cash consideration was received for the shares on 1 June 2005.

The deferred shares carry no dividend or voting rights and have no preferential rights to return of capital on winding up. The Company may repurchase the shares at any time for an aggregate consideration of \$1.

The value attributed to sterling share capital is based on the exchange rate prevailing at the balance sheet date.

12 PROFIT AND LOSS ACCOUNT

	\$'000
At 1 January 2004	-
Accumulated loss for the year	<u>(2)</u>
At 31 December 2004	<u>(2)</u>

13 RECONCILIATION OF SHAREHOLDERS' DEFICIT

	2004 \$'000	2003 \$'000
Loss for the financial year and net reduction in shareholders' funds	(2)	-
Opening shareholders' funds	<u>-</u>	<u>-</u>
Closing shareholders' deficit	<u>(2)</u>	<u>-</u>