

Company Registration No 04985593

RBSSAF (13) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

WEDNESDAY



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21/07/2010

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COMPANIES HOUSE

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

**RBSSAF (13) LIMITED**

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**RBSSAF (13) LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS.**

**S J Caterer  
G Locker  
A Georgiou  
L Varnavides**

**SECRETARY**

**C J Whittaker**

**REGISTERED OFFICE.**

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

**AUDITORS**

**Deloitte LLP  
Bristol**

**Registered in England and Wales**

## **RBSSAF (13) 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 special provisions relating to small companies under section 417 (1) of the Companies Act 2006

The principal activity of the Company is the provision of fixed asset finance usually involving individually structured facilities

The Company's functional currency is the US dollar, as its trading and funding is predominately in this currency, and therefore its financial statements are presented in this currency

The retained loss for the period was \$81,000 (2008 retained loss \$157,000) 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

The directors, having made such enquiries as they considered appropriate, including regarding the continued availability of sufficient resources from the 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 are listed on page 1

### **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

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

**RBSSAF (13) LIMITED**

**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 13 July 2010

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBSSAF (13) LIMITED**

We have audited the financial statements of RBSSAF (13) 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 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting 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 loss 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.

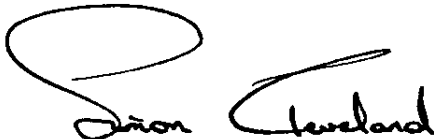
### **Opinion on other matter prescribed by the Companies Act 2006**

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

21 July 2010

**RBSSAF (13) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2009

	Note	2009 \$'000	2008 \$'000
<b>CONTINUING OPERATIONS</b>			
Revenue	3	514	2,236
Administrative expenses	4	<u>(11)</u>	<u>(4)</u>
<b>OPERATING PROFIT</b>	4	503	2,232
Finance costs	6	<u>(615)</u>	<u>(2,495)</u>
<b>LOSS BEFORE TAXATION</b>		(112)	(263)
Tax credit	7	<u>31</u>	<u>107</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	15	<u><u>(81)</u></u>	<u><u>(155)</u></u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other comprehensive income after tax		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(81)</u></u>	<u><u>(155)</u></u>

**BALANCE SHEET**  
 as at 31 December 2009

	Note	2009 \$'000	2008 \$'000
<b>NON-CURRENT ASSETS</b>			
Finance lease receivables	9	<u>71,640</u>	<u>71,846</u>
		<u>71,640</u>	<u>71,846</u>
<b>CURRENT ASSETS</b>			
Finance lease receivables	9	3,885	3,960
Cash and cash equivalents	10	<u>1,598</u>	<u>1,895</u>
		<u>5,483</u>	<u>5,855</u>
<b>TOTAL ASSETS</b>		<u><u>77,123</u></u>	<u><u>77,701</u></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	(824)	(986)
Borrowings	12	<u>(1,305)</u>	<u>(1,675)</u>
		<u>(2,129)</u>	<u>(2,661)</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	12	(61,208)	(62,513)
Deferred tax liabilities	13	<u>(14,643)</u>	<u>(13,303)</u>
		<u>(75,851)</u>	<u>(75,816)</u>
<b>TOTAL LIABILITIES</b>		<u><u>(77,980)</u></u>	<u><u>(78,477)</u></u>
<b>NET LIABILITIES</b>		<u><u>(857)</u></u>	<u><u>(776)</u></u>
<b>DEFICIT</b>			
Share capital	14	-	-
Retained deficit	15	<u>(857)</u>	<u>(776)</u>
<b>TOTAL DEFICIT</b>		<u><u>(857)</u></u>	<u><u>(776)</u></u>

The financial statements were approved by the Board of Directors on 13 July 2010 and signed on its behalf by



S J Caterer  
Director



**RBSSAF (13) LIMITED****CASH FLOW STATEMENT****for the year ended 31 December 2009**

	Note	2009 \$'000	2008 \$'000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	16	<u>1,379</u>	<u>2,101</u>
<b>FINANCING ACTIVITIES</b>			
Repayments of borrowings		<u>(1,676)</u>	<u>(2,575)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<u>(1,676)</u>	<u>(2,575)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(297)	(474)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		1,896	2,370
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	10	<u><u>1,599</u></u>	<u><u>1,896</u></u>

**RBSSAF (13) LIMITED****STATEMENT OF CHANGES IN EQUITY  
as at 31 December 2009**

	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>BALANCE AT 1 JANUARY 2008</b>	-	(619)	(619)
Total comprehensive loss for the year	-	(155)	(155)
<b>BALANCE AT 1 JANUARY 2009</b>	-	(774)	(774)
Total comprehensive loss for the year	-	(81)	(81)
<b>BALANCE AT 31 DECEMBER 2009</b>	-	(855)	(855)

**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 Company's functional currency is the US dollar being the currency of the primary economic environment in which the Company operates.

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 judgements and assumptions involved in the Company's accounting policies which have the most significant effect on the amounts recognised in the financial statements are those that relate to the criteria for assessing whether substantially all the significant risks and rewards of ownership of leased assets are transferred to other entities.

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 INCOME UNDER FINANCE LEASES**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease income, which includes the amortisation of the investment in the lease, is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

**d BORROWING COSTS**

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

**e 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.

**f FOREIGN CURRENCY**

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the date of the transaction. Gains and losses arising on retranslation are included in profit or loss for the period.

**g FINANCIAL INSTRUMENTS**

The Company's financial asset categories are finance lease receivables and 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 SIGNIFICANT ACCOUNTING POLICIES - continued**

**h AMOUNTS RECEIVABLE UNDER FINANCE LEASES**

A lease is recognised when there is a contractual right to the asset's cash flows and derecognised when all contractual rights and obligations expire. Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

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.

**i 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.

**j BORROWINGS**

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

**k 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.

**l 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's policy is to avoid interest rate risk. Any movement in interest rates associated with the financing of the lease is charged or credited to the lessee.

**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 minimises currency risk by ensuring its leases and associated financing is in the same currency.

**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.

**RBSSAF (13) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****2 FINANCIAL RISK MANAGEMENT - continued****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.

<b>3 REVENUE</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Finance leases		
Rentals receivable	761	2,635
Amortisation	<u>(247)</u>	<u>(400)</u>
	<u>514</u>	<u>2,236</u>
Included in the above are the following amounts		
Contingent rentals	<u>(3,242)</u>	<u>(1,522)</u>

The Company did not enter into any new leasing transactions during the year (2008: \$nil)

<b>4 OPERATING PROFIT</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating profit has been arrived at after charging		
Management charge	<u>11</u>	<u>4</u>
Costs incurred in respect of audit services to the Company are included in the management charge as shown below		
	<b>\$</b>	<b>\$</b>
Auditors' remuneration - for audit services	<u>1,000</u>	<u>812</u>

**5 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)

**RBSSAF (13) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**6 FINANCE COSTS**

	2009 \$'000	2008 \$'000
Interest payable to group undertakings	615	2,525
Interest receivable from group undertakings	-	(30)
	<u>615</u>	<u>2,495</u>

**7 TAXATION**
**a ANALYSIS OF TAX CREDIT FOR THE YEAR**

## Current tax credit

- Group relief receivable on loss for the year

	<u>(1,371)</u>	<u>(1,865)</u>
	(1,371)	(1,865)

Deferred tax - origination and reversal of timing differences

- Current year

	<u>1,340</u>	<u>1,758</u>
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Tax credit

	<u>(31)</u>	<u>(107)</u>
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**b FACTORS AFFECTING THE TAX CREDIT FOR THE YEAR**

Loss before tax

	<u>(112)</u>	<u>(263)</u>
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Tax on loss at the rate of 28% (2008 blended rate 28.5%)

	(31)	(75)
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Impact of rate change from 30% to 28%

	-	(32)
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Tax credit

	<u>(31)</u>	<u>(107)</u>
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The standard corporation tax rate changed from 30% to 28% effective from 1 April 2008

**8 FINANCIAL INSTRUMENTS**
**a CARRYING VALUE AND FAIR VALUE OF FINANCIAL INSTRUMENT BY CATEGORY**

	Carrying value 2009 \$'000	Fair value 2009 \$'000	Carrying value 2008 \$'000	Fair value 2008 \$'000
Finance lease receivables	75,525	75,525	75,806	75,806
Loans and receivables				
Cash and cash equivalents	<u>1,598</u>	<u>1,598</u>	<u>1,895</u>	<u>1,895</u>
Financial assets	<u>77,123</u>	<u>77,123</u>	<u>77,701</u>	<u>77,701</u>
Financial liabilities measured at amortised cost				
Trade and other payables	824	824	986	986
Borrowings	<u>62,513</u>	<u>62,513</u>	<u>64,188</u>	<u>64,188</u>
Financial liabilities	<u>63,337</u>	<u>63,337</u>	<u>65,174</u>	<u>65,174</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 8 FINANCIAL INSTRUMENTS - continued

b FINANCIAL INSTRUMENT - CARRYING AMOUNT BY MARKET RISK EXPOSURE		2009 \$'000	2008 \$'000
Interest rate risk			
Financial assets			
- variable rate		<u>77,123</u>	<u>77,701</u>
Financial liabilities			
- variable rate		<u>62,513</u>	<u>64,188</u>
- non-interest bearing		<u>824</u>	<u>986</u>
		<u>63,337</u>	<u>65,174</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: no material effect)

c FINANCIAL ASSET - CREDIT QUALITY AND CONCENTRATION OF CREDIT RISK		2009 \$'000	2008 \$'000
Maximum credit exposure and neither past due nor impaired			
Sector	No. of counterparties		
Shipping	1	<u>75,525</u>	<u>75,806</u>
Finance lease receivables		<u>75,525</u>	<u>75,806</u>
Group undertakings		<u>1,598</u>	<u>1,895</u>
		<u>77,123</u>	<u>77,701</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

	Less than 1 year \$'000	In the 2nd year \$'000	3 to 5 years \$'000	Over 5 years \$'000
2009				
Trade payables	824	-	-	-
Borrowings	<u>1,544</u>	<u>1,982</u>	<u>9,653</u>	<u>89,287</u>
	<u>2,368</u>	<u>1,982</u>	<u>9,653</u>	<u>89,287</u>
2008				
Trade payables	986	-	-	-
Borrowings	<u>2,590</u>	<u>2,206</u>	<u>5,623</u>	<u>68,002</u>
	<u>3,576</u>	<u>2,206</u>	<u>5,623</u>	<u>68,002</u>

**RBSSAF (13) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**9 FINANCE LEASE RECEIVABLES**

	Gross investment in lease		Present value of minimum lease payments	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Amounts receivable under finance leases				
Within one year	3,965	4,037	3,885	3,960
In the second to fifth years inclusive	16,322	15,979	14,089	13,825
After five years	115,483	119,791	57,551	58,021
	135,770	139,807	75,525	75,806
Less unearned finance income	(60,245)	(64,001)	N/A	N/A
Present value of minimum lease payments receivable	75,525	75,806	75,525	75,806
Analysed as				
Non-current finance lease receivables (recoverable after 12 months)			71,640	71,846
Current finance lease receivables (recoverable within 12 months)			3,885	3,960
			75,525	75,806

The Company has entered into a finance leasing arrangement for a ship. The term of the finance lease entered into is 25 years.

The unguaranteed residual value of the asset leased under the finance lease at the balance sheet date is estimated at \$nil (2008: \$nil).

The interest rate inherent in the lease is determined at the contract date for all the lease term. The effective interest rate contracted approximates 5.2% (2008: 5.2%) p.a.

**10 CASH AND CASH EQUIVALENTS**

	2009 \$'000	2008 \$'000
Bank account with group undertakings	6	11
Short term deposits with group undertakings	1,592	1,884
	1,598	1,895

**11 TRADE AND OTHER PAYABLES**

	2009 \$'000	2008 \$'000
Amounts due to group undertakings	40	819
Other creditors	784	167
	824	986



**RBSSAF (13) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**

<b>12 BORROWINGS</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Loan amount due to group undertakings	<u>62,513</u>	<u>64,188</u>
The borrowings are repayable as follows		
On demand or within one year	1,305	1,675
In the second year	1,107	1,305
In the third to fifth year inclusive	2,931	3,013
After five years	<u>57,170</u>	<u>58,195</u>
	62,513	64,188
Less Amounts due for settlement within 12 months (shown under current liabilities)	<u>(1,305)</u>	<u>(1,675)</u>
Amounts due for settlement after 12 months	<u>61,208</u>	<u>62,513</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 0.28% (2008 5.4%) p a

<b>13 DEFERRED TAX</b>		<b>Deferred taxation \$'000</b>
Movements during the year		
At 1 January 2008		11,545
Charge to income statement		<u>1,758</u>
At 1 January 2009		13,303
Charge to income statement		<u>1,340</u>
At 31 December 2009		<u>14,643</u>
Full provision has been made for the potential amount of deferred taxation shown below		
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Accelerated capital allowances on assets financed	14,120	12,747
Other temporary differences	<u>523</u>	<u>556</u>
	<u>14,643</u>	<u>13,303</u>

**RBSSAF (13) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**

<b>14 SHARE CAPITAL</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	Number of shares		\$	\$
Authorised				
- Deferred shares of £1 each	100	100	193	193
- Ordinary shares of \$1 each	1000	1000	<u>1,000</u>	<u>1,000</u>
			<u>1,193</u>	<u>1,193</u>
Issued, called up and fully paid				
- Deferred shares of £1 each	2	2	4	4
- Ordinary shares of \$1 each	100	100	<u>100</u>	<u>100</u>
			<u>104</u>	<u>104</u>

The deferred shares carry no dividend or voting rights and have no preferential rights to return of capital on winding up

The value attributed to Sterling share capital is based on the exchange rate prevailing at the date of issue

<b>15 RETAINED EARNINGS</b>	<b>\$'000</b>
Balance at 1 January 2008	(619)
Loss for the financial year	<u>(157)</u>
Balance at 1 January 2009	(776)
Loss for the financial year	<u>(81)</u>
Balance at 31 December 2009	<u>(857)</u>

<b>16 NOTES TO THE CASH FLOW STATEMENT</b>	<b>2009</b>	<b>2008</b>
	\$'000	\$'000
Loss before tax	(112)	(263)
Adjustments for Interest expense	<u>615</u>	<u>2,495</u>
Operating cash flows before movements in working capital	503	2,232
Decrease in receivables	281	434
Increase in payables	<u>618</u>	<u>73</u>
Cash generated by operations	1,402	2,739
Income taxes received	1,319	1,875
Interest paid	<u>(1,342)</u>	<u>(2,513)</u>
Net cash from operating activities	<u>1,379</u>	<u>2,101</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 17 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

The Company recorded the following related party transactions during the year

	2009 \$'000	2008 \$'000
Royal Bank Leasing Limited		
Transactions during the period		
Management charge paid to related party	11	4
Interest on loan paid to related party	1,342	2,525
Group relief received	(1,319)	(1,875)
Repayment of borrowing to related party	<u>1,676</u>	<u>2,575</u>
Balances at year end		
Group relief owed to related party	(1)	(53)
Outstanding balance owed to related party	<u>(60,959)</u>	<u>(63,069)</u>
The Royal Bank of Scotland plc		
Balances at year end		
Bank account with group undertakings	<u>6</u>	<u>11</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.

In addition to the UK Government's shareholding in the Group, the UK Government and UK Government controlled bodies may hold debt securities, subordinated liabilities and other liabilities or shares issued by the Group in the normal course of business. It is not practicable to ascertain and disclose these amounts. Certain of the liability balances are secured. No impairment losses were recognised by the Company in the year in respect of balances with UK Government and affiliated bodies.

## 18 POST BALANCE SHEET EVENTS

The changes to tax rates and capital allowances proposed in the Budget on 22 June 2010 are not expected to have a material effect on the Company.