

Company Registered No: 04985593

RBSSAF (13) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

S J Caterer
P A Cheesman

SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

The Quadrangle
The Promenade
Cheltenham
GL50 1PX

INDEPENDENT AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
3 Rivergate
Temple Quay
Bristol
United Kingdom
BS1 6GD

Registered in England and Wales

DIRECTORS' REPORT

The directors of RBSSAF (13) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 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 principal activity of the Company was to provide bespoke fixed asset finance till March 2013 and the Company has ceased to trade since then.

FINANCIAL PERFORMANCE

The retained loss for the year was \$451,000 (2013: \$299,000) and this was transferred to reserves.

The directors do not recommend the payment of a dividend (2013: \$nil). On 17 June 2015, the directors paid an interim dividend of \$521,722. Post balance sheet events are described in note 14 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company ceased to trade in the previous year. Since then its assets are denominated in US dollars and are with Group companies. Accordingly the Company's exposure to risk is now limited to group credit risk on balances receivable on demand - see note 13.

Operational risk

Operational risks are inherent in the Company's business. Operational risk losses occur as the result of fraud, human error, missing or inadequately designed processes, failed systems, damage to physical assets, improper behaviour or from external events. The key mitigating processes and controls include risk and control assessment, scenario analysis, loss data collection, new product approval process, key risk indicators, notifiable events process and the self certification process. The implementation of these processes and controls is facilitated and overseen by operational risk teams, with internal audit providing independent evaluation of the control framework.

GOING CONCERN

The Company is not currently trading and it is the intention of the directors to wind up the Company within next 12 months. As required by IAS 1 – presentation of Financial Statements, management has prepared the financial statements on a basis other than that of 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 January 2014 to date the following changes have taken place:

	Appointed	Resigned
Directors		
L C Varnavides	-	30 June 2014

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 Strategic Report, 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 directors have 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: 23 June 2015

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 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. 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 31 December 2014 and of its loss 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 (13) 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

6 July 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	Notes	2014 \$'000	2013 \$'000
Discontinued operations			
Turnover	3	-	40
Operating expenses	4	-	(414)
Operating loss		-	(374)
Finance income	5	4	26
Finance costs	6	(1)	(41)
Profit/(loss) on ordinary activities before tax		3	(389)
Tax (charge)/credit	7	(454)	90
Loss and total comprehensive loss for the year		(451)	(299)

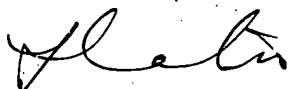
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
as at 31 December 2014

	Notes	2014 \$'000	2013 \$'000
Current assets			
Loans and receivables	8	504	7,113
Prepayments, accrued income and other assets	9	-	3
Cash at bank		18	7
Total assets		522	7,123
Creditors: amounts falling due within one year			
Borrowings	10	-	5,803
Current tax liability		-	347
		-	6,150
Total assets less current liabilities		522	973
Total liabilities		-	6,150
Equity: capital and reserves			
Called up share capital	12	-	-
Profit and loss account		522	973
Total shareholders' funds		522	973
Total liabilities and shareholders' funds		522	7,123

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 23 June 2015 and signed on its behalf by:



S J Caterer
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Share capital \$'000	Profit and loss account \$'000	Total \$'000
At 1 January 2013	-	1,272	1,272
Loss for the year	-	(299)	(299)
At 31 December 2013	-	973	973
Loss for the year	-	(451)	(451)
At 31 December 2014	-	522	522

Total comprehensive loss for the year of \$451,000 (2013: \$299,000) was wholly attributable to the equity holders 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 European Union (together IFRS) and under FRS 101 Reduced Disclosure Framework. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to 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 13.

The financial statements are prepared on the historical cost basis.

The Company's financial statements are presented in US dollars 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.

As detailed in the Directors' Report, the directors intend to wind the company up and the financial statements have therefore been prepared on a basis other than going concern. IAS 1 paragraph 25 "Presentation of Financial Statements" describes the preparation of financial statements in such circumstances as being other than on a going concern basis.

Adoption of new and revised accounting standards

There are a number of changes to IFRS that were effective from 1 January 2014. They have had no material effect on the Company's financial statements for the year ended 31 December 2014.

b) Foreign currencies

Transactions in foreign currencies are translated into US dollars at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are reported in the Profit and Loss Account.

c) Revenue recognition

Turnover comprised of income from finance leases and loans and other services and arose in the United Kingdom from discontinued activities.

Finance lease income is allocated to accounting periods so as to give a constant periodic rate of return before tax on the net investment. Unguaranteed residual value is subject to regular review, if there is a reduction in the estimated unguaranteed residual value, income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities 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 and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable, that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****d) 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.

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.

e) 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(c)) less any impairment losses.

f) 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.

g) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. Turnover

	2014 \$'000	2013 \$'000
Finance lease income:		
Rent receivable	-	862
Amortisation	-	(101)
Contingent rental expense	-	(721)
	-	40

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

4. Operating expenses

	2014 \$'000	2013 \$'000
Loss on disposal of lease	-	402
Management fees	-	12
	-	414

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 fee 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.

Auditor's remuneration

	2014 \$'000	2013 \$'000
Auditor's remuneration – audit services (included within the management fee shown above)	-	12

There was no charge in the current year's financial statements for auditor's remuneration as the fees of \$5,000 were charged in the financial statements Royal Bank Leasing Limited.

5. Finance income

	2014 \$'000	2013 \$'000
Interest on loans receivables from Group undertakings	4	26

6. Finance costs

	2014 \$'000	2013 \$'000
Interest on loans from Group undertakings	1	41

NOTES TO THE FINANCIAL STATEMENTS

7. Tax

	2014 \$'000	2013 \$'000
Current tax:		
UK corporation tax charge for the year	-	14,031
Under provision in respect of prior periods	454	-
	<u>454</u>	<u>14,031</u>
Deferred tax:		
Charge/(credit) for the year	-	(14,121)
	-	<u>(14,121)</u>
Tax charge/(credit) for the year	<u>454</u>	<u>(90)</u>

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

The actual tax charge/(credit) differs from the expected tax credit computed by applying the blended rate of UK corporation tax of 21.49% (2013: 23.25%) as follows:

	2014 \$'000	2013 \$'000
Expected tax credit	-	(90)
Under provision in respect of prior periods	454	-
Actual tax charge/(credit) for the year	<u>454</u>	<u>(90)</u>

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.

8. Loans and receivables

	2014 \$'000	2013 \$'000
Due within one year		
Amounts owed by Group undertakings	<u>504</u>	<u>7,113</u>

9. Prepayments, accrued income and other assets

	2014 \$'000	2013 \$'000
Accrued income	<u>-</u>	<u>3</u>

10. Borrowings

	2014 \$'000	2013 \$'000
Due within one year		
Loans from Group undertakings - immediate parent company	<u>-</u>	<u>5,803</u>

NOTES TO THE FINANCIAL STATEMENTS

11. Financial risk management

(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.

Finance lease receivables may be based on fixed and/or floating rates. These are funded primarily through balances owed to group undertakings. The re-pricing maturity profile of the financial assets of the Company may be different to that of the associated borrowings and hence give potential exposure to interest rate risk.

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

	Variable rate \$'000	Non- interest earning \$'000	Total \$'000
2014			
Financial assets			
Loans and receivables	-	504	504
Cash at bank	18	-	18
Net financial assets	18	504	522

	Variable rate \$'000	Non- interest earning \$'000	Total \$'000
2013			
Financial assets			
Finance lease receivables	7,113	-	7,113
Prepayments, accrued income and other assets	-	3	3
Cash at bank	7	-	7
	7,120	3	7,123
Financial liabilities			
Borrowings	5,803	-	5,803
	5,803	-	5,803
Net financial assets	1,317	3	1,320

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 loss before tax for the year would have decreased by \$88 (2013: loss before tax for the year would have decreased by \$7,000). 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

11. Financial risk management (continued)

Credit risk

The table below provides details of credit exposures for those financial assets neither past due nor impaired:

Sector	2014 \$'000	2013 \$'000
Group undertakings	522	7,120
Other	-	3
Maximum credit exposure	<u>522</u>	<u>7,123</u>

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

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	1 - 3 years \$'000	3-5 years \$'000	5-10 years \$'000
2013					
Borrowings	<u>5,803</u>	-	-	-	-

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 13).

12. Share capital

	2014 \$	2013 \$
Authorised:		
100 Deferred ordinary shares of £1 each	193	193
1,000 Ordinary shares of \$1 each	1,000	1,000
	<u>1,193</u>	<u>1,193</u>
Allotted, called up and fully paid:		
Equity shares		
2 Deferred ordinary shares of £1 each	4	4
100 Ordinary shares of \$1 each	100	100
	<u>104</u>	<u>104</u>

The deferred ordinary 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 date of issue.

Both classes of ordinary shares carry no right to fixed income.

NOTES TO THE FINANCIAL STATEMENTS**13. 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 31 December 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 plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in the UK and 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, PO Box 1000, Edinburgh EH12 1HQ.

Capital Support Deed

The Company, together with other members of The Royal Bank of Scotland Group plc 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.

14. Post balance sheet events

On 17 June 2015, an interim dividend of \$521,722 was paid in respect of the year ending 31 December 2015.