

**Company Registration No: 05038969**

**RBSSAF (19) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 March 2008**



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

## **RBSSAF (19) LIMITED**

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**RBSSAF (19) LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

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

**SECRETARY:**

**C J Whittaker**

**REGISTERED OFFICE:**

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

**AUDITORS:**

**Deloitte & Touche LLP  
Bristol**

**Registered in England and Wales.**

## **RBSSAF (19) LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 March 2008.

### **ACTIVITIES AND BUSINESS REVIEW**

#### **Activity**

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

The Company is a subsidiary of The Royal Bank of Scotland Group plc which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of The Royal Bank of Scotland Group plc review these matters on a group basis. Copies can be obtained from Group Secretariat, RBS Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or through the Group's web site at rbs.com

#### **Review of the year**

The directors are satisfied with the development of the Company's activities during the year. The Company will be guided by its parent company in seeking further opportunities for growth. The directors do not recommend that a dividend be paid (2007 \$nil).

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

The Company's financial performance is presented in the Income Statement on Page 5. At the end of the year, the financial position showed total assets of \$694,924,000 (2007 \$401,831,000) and equity of \$6,475,000 (2007 \$1,989,000).

The Company is funded by facilities from The Royal Bank of Scotland plc. It seeks to minimise its exposure to external financial risks other than credit risk, further information is disclosed in Note 2.

### **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 April 2007 to date the following changes have taken place.

	<b>Appointed</b>	<b>Resigned</b>
<b>Directors</b>		
T V Castledine		19 July 2007
A S Devine	19 July 2007	31 July 2008
P Tubb		15 August 2008
A Farnell		31 July 2008
L Varnavides	31 July 2008	
A Georgiou	31 July 2008	
G Locker	31 July 2008	

## **DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Acts 1985 and 2006 to prepare a directors' report and financial statements for each financial year and have elected to prepare them in accordance with International Financial Reporting Standards as adopted by the European Union. They are responsible for preparing financial statements that present fairly the financial position, financial performance, and cash flows of the Company. 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,
- 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 directors' report and financial statements comply with the requirements of the Companies Acts 1985 and 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the directors at the date of approval of this report confirms that

- a) so far as he/she is aware there is no relevant audit information of which the Company's auditors are unaware, and
- b) the director has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

## **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



S J Caterer  
Director  
Date 25 September 2008

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBSSAF (19) LIMITED

We have audited the financial statements of RBSSAF (19) Limited ("the company") for the year ended 31 March 2008 which comprise the income statement, the balance sheet, the cash flow statement, the statement of recognised income and expense and the related Notes 1 to 20. 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 for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition we also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 circumstances of the company, 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Bristol, United Kingdom

*25th September 2008*

**RBSSAF (19) LIMITED****INCOME STATEMENT**  
**for the year ended 31 March 2008**

	Note	2008 \$'000	2007 \$'000
<b>CONTINUING OPERATIONS</b>			
Revenue	4	31,731	15,490
Other operating income	5	684	602
Administrative expenses	6	<u>(61)</u>	<u>(47)</u>
<b>OPERATING PROFIT</b>	6	32,354	16,045
Finance costs	8	<u>(32,109)</u>	<u>(15,503)</u>
<b>PROFIT BEFORE TAXATION</b>		245	542
Tax credit/(charge)	9	<u>4,241</u>	<u>(46)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	18	<u>4,486</u>	<u>496</u>

The notes on pages 9 to 18 form part of these financial statements

**RBSSAF (19) LIMITED**

**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**for the year ended 31 March 2008**

	2008 \$'000	2007 \$'000
Profit for the year	<u>4,486</u>	<u>496</u>
<b>Total recognised income and expense for the year</b>	<u><b>4,486</b></u>	<u><b>496</b></u>

**RBSSAF (19) LIMITED**
**BALANCE SHEET**  
as at 31 March 2008

	Note	2008 \$'000	2007 \$'000
<b>NON-CURRENT ASSETS</b>			
Finance lease receivables	11	<u>627,214</u>	<u>380,429</u>
		<u>627,214</u>	<u>380,429</u>
<b>CURRENT ASSETS</b>			
Finance lease receivables	11	44,133	16,013
Trade and other receivables	12	8,739	5,366
Cash and cash equivalents	13	<u>14,838</u>	<u>23</u>
		67,710	21,402
		<u>694,924</u>	<u>401,831</u>
<b>TOTAL ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	(1,709)	(498)
Bank overdraft and loans	15	<u>(79,913)</u>	<u>-</u>
		<u>(81,622)</u>	<u>(498)</u>
<b>NON CURRENT LIABILITIES</b>			
Bank loans	15	(549,284)	(371,475)
Deferred tax liabilities	16	<u>(57,543)</u>	<u>(27,869)</u>
		(606,827)	(399,344)
		<u>(688,449)</u>	<u>(399,842)</u>
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>			
		<u>6,475</u>	<u>1,989</u>
<b>EQUITY</b>			
Share capital	17	-	-
Retained earnings	18	<u>6,475</u>	<u>1,989</u>
<b>TOTAL EQUITY</b>			
		<u>6,475</u>	<u>1,989</u>

The financial statements on pages 5 to 18 were approved by the Board of Directors and authorised for issue on 25 September 2008. They were signed on its behalf by -



S J Caterer  
Director

The notes on pages 9 to 18 form part of these financial statements

**RBSSAF (19) LIMITED**

**CASH FLOW STATEMENT**  
for the year ended 31 March 2008

	Note	2008 \$'000	2007 \$'000
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	19	<u>(242,222)</u>	<u>(189,110)</u>
<b>FINANCING ACTIVITIES</b>			
New bank loans raised		257,721	190,328
Repayments of borrowings		<u>-</u>	<u>(1,277)</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u>257,721</u>	<u>189,051</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		15,499	(59)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		23	82
Impact of foreign exchange		(684)	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u>14,838</u>	<u>23</u>

## **RBSSAF (19) LIMITED**

### **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.

IFRS 7 'Financial Instruments: Disclosures' which became effective in this period introduces new disclosures relating to financial instruments but does not have any impact on the classification or valuation of the Company's financial instruments.

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.

##### **b 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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

##### **c BORROWING COSTS**

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

##### **d TAXATION**

Provision is made for taxation at current enacted rates on taxable profits.

Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered.

##### **e 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 SIGNIFICANT ACCOUNTING POLICIES - continued**

**f FINANCIAL INSTRUMENTS**

The Company's financial asset categories are finance lease receivables and loan and receivables. Loan 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 'bank overdraft and loans' and 'trade payables' in the balance sheet.

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

**g 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.

**h TRADE AND OTHER RECEIVABLES**

Trade and other receivables are measured at initial recognition fair value, and subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables do not carry any interest and are stated at their nominal value.

**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 loans and bank overdrafts 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**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

**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

**3 PARENT COMPANIES**

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 which is incorporated in Great Britain and registered in Scotland. Copies of the financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, 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, Edinburgh, EH12 1HQ

**RBSSAF (19) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>4 REVENUE</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Finance leases		
Rentals receivable	16,012	-
Amortisation	<u>15,719</u>	<u>15,490</u>
	<u>31,731</u>	<u>15,490</u>

Included in the above are the following amounts,

Contingent rentals	<u>40</u>	<u>-</u>
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**Capital cost of asset additions financed:**

Finance leases	<u>255,673</u>	<u>184,366</u>
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<b>5 OTHER OPERATING INCOME</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Foreign exchange gain	684	567
Fee income	<u>-</u>	<u>35</u>
	<u>684</u>	<u>602</u>

**6 OPERATING PROFIT**

Operating profit has been arrived at after charging	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Fees & commissions	15	-
Management charge	45	47
Other	<u>1</u>	<u>-</u>
	<u>61</u>	<u>47</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>5,158</u>	<u>3,551</u>

**7 STAFF COSTS**

All 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 year

The average monthly number of employees was nil (2007 nil)

<b>8 FINANCE COSTS</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Interest payable to external parties	29,470	14,813
Interest payable to group undertakings	<u>2,639</u>	<u>690</u>
	<u>32,109</u>	<u>15,503</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 9 TAXATION

2008	2007
\$'000	\$'000

## A) ANALYSIS OF TAX (CREDIT)/CHARGE FOR THE YEAR

## Current tax credit

- Group relief receivable on profit for the year	(33,915)	(16,906)
- Adjustment in respect of prior periods	-	12
	<u>(33,915)</u>	<u>(16,894)</u>

## Deferred tax - origination and reversal of timing differences

- Current year	31,532	16,899
- Impact of rate change from 30% to 28%	(1,858)	-
- Adjustment in respect of prior periods	-	41

Tax (credit)/charge	<u>(4,241)</u>	<u>46</u>
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## B) FACTORS AFFECTING THE TAX (CREDIT)/CHARGE FOR THE YEAR

Profit before tax	<u>245</u>	<u>542</u>
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## Tax on profit at the standard rate of 30% (2007 30%)

	74	163
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Impact of rate change from 30% to 28%	(4,110)	-
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Non-taxable income	(205)	(170)
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Adjustment to tax charge in respect of previous periods	-	53
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Tax (credit)/charge	<u>(4,241)</u>	<u>46</u>
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## 10 FINANCIAL INSTRUMENTS

## a) Carrying value and fair value of financial instrument by category

	Carrying value 2008 \$'000	Fair value 2008 \$'000	Carrying value 2007 \$'000	Fair value 2007 \$'000
Finance lease receivables	671,347	671,347	396,442	396,442
Loans and receivables				
Trade and other receivables	8,739	8,739	5,366	5,366
Cash and cash equivalents	<u>14,838</u>	<u>14,838</u>	<u>23</u>	<u>23</u>
Financial assets	<u>694,924</u>	<u>694,924</u>	<u>401,831</u>	<u>401,831</u>
Financial liabilities measured at amortised cost				
Trade and other payables	1,709	1,709	498	498
Bank overdraft and loans	<u>629,197</u>	<u>629,197</u>	<u>371,475</u>	<u>371,475</u>
Financial liabilities	<u>630,906</u>	<u>630,906</u>	<u>371,973</u>	<u>371,973</u>

**RBSSAF (19) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**10 FINANCIAL INSTRUMENTS - continued**

b) Financial instrument - carrying amount by market risk exposure	2008 \$'000	2007 \$'000
Interest rate risk		
Financial assets		
- variable rate	686,185	396,465
- non-interest bearing	8,739	5,366
	<u>694,924</u>	<u>401,831</u>
Financial liabilities		
- variable rate	629,197	371,475
- non-interest bearing	1,709	498
	<u>630,906</u>	<u>371,973</u>

If market interest rates had been higher or lower the profit or loss and equity of the Company would not have been materially affected

**Currency risk**

All financial instruments are in US dollars with the exception of certain group balances relating to tax amounts that will be settled at pre-determined rates in Sterling

	2007 \$'000	2006 \$'000
Trade and other receivables to be settled in Sterling	<u>8,739</u>	<u>5,350</u>

If the functional currency had strengthened or weakened by 10% against Sterling then post-tax profit for the year would have been \$874,000 (2007 \$535,000) higher or lower

c) Financial asset - credit quality	2008 \$'000	2007 \$'000
Summary and concentration of credit risk		
- maximum credit exposure and neither past due nor impaired		
Finance lease receivables relating to 1 lessee in the shipping sector	671,347	396,442
Group undertakings	<u>23,577</u>	<u>5,389</u>
	<u>694,924</u>	<u>401,831</u>

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

**d) Liquidity risk**

Contractual cashflows 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
2008				
Trade payables	1,709	-	-	-
Bank overdraft and loans	<u>41,285</u>	<u>70,657</u>	<u>168,243</u>	<u>672,993</u>
	<u>42,994</u>	<u>70,657</u>	<u>168,243</u>	<u>672,993</u>
2007				
Trade payables	498	-	-	-
Bank overdraft and loans	<u>34,508</u>	<u>60,461</u>	<u>244,927</u>	<u>831,839</u>
	<u>35,006</u>	<u>60,461</u>	<u>244,927</u>	<u>831,839</u>

## NOTES TO THE FINANCIAL STATEMENTS

11 FINANCE LEASE RECEIVABLES	Gross investment in lease		Present value of minimum lease payments	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Amounts receivable under finance leases				
Within one year	45,438	16,611	44,133	16,013
In the second to fifth years inclusive	264,071	258,021	225,923	216,321
After five years	<u>668,360</u>	<u>724,283</u>	<u>519,900</u>	<u>537,438</u>
	977,869	998,915	789,956	769,772
Less unearned finance income	<u>(187,913)</u>	<u>(229,143)</u>	<u>N/A</u>	<u>N/A</u>
Present value of minimum lease payments receivable	<u>789,956</u>	<u>769,772</u>	<u>789,956</u>	<u>769,772</u>
Less future drawdown on leases			(118,609)	(373,330)
Net Investment			<u>671,347</u>	<u>396,442</u>
Analysed as				
Non-current finance lease receivables (recoverable after 12 months)			627,214	380,429
Current finance lease receivables (recoverable within 12 months)			<u>44,133</u>	<u>16,013</u>
			<u>671,347</u>	<u>396,442</u>

The Company has entered into finance leasing arrangements for ships. The average term of the finance leases entered into is 18 years.

Unguaranteed residual values of assets leased under finance leases at the balance sheet date are estimated at \$nil (2007: \$nil).

The interest rate inherent in the leases is determined at the contract date for all the lease term. The average effective interest rate contracted approximates 5.6% (2007: 5.6%) p.a.

12 TRADE AND OTHER RECEIVABLES	2008 \$'000	2007 \$'000
Amounts due from group undertakings	<u>8,739</u>	<u>5,366</u>
13 CASH AND CASH EQUIVALENTS		
	2008 \$'000	2007 \$'000
Short term deposits with group undertakings	14,824	-
Bank account with group undertakings	<u>14</u>	<u>23</u>
	<u>14,838</u>	<u>23</u>

**RBSSAF (19) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**

<b>14 TRADE AND OTHER PAYABLES</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts due to group undertakings	1,444	281
Other creditors	265	217
	<u>1,709</u>	<u>498</u>

<b>15 BANK OVERDRAFT AND LOANS</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Loan amount due to external parties	571,652	349,450
Loan amount due to group undertakings	57,545	22,025
	<u>629,197</u>	<u>371,475</u>

The borrowings are repayable as follows

On demand or within one year	79,913	-
In the second year	52,478	-
In the third to fifth year inclusive	120,958	-
After five years	375,848	371,475

	629,197	371,475
Less Amounts due for settlement within 12 months (shown under current liabilities)	(79,913)	-

Amounts due for settlement after 12 months	<u>549,284</u>	<u>371,475</u>
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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 variable at 5.0% (2007: 6.0%) p.a.

<b>16 DEFERRED TAX</b>		<b>Deferred taxation</b>
		<b>\$'000</b>
Movements during the year		
At 1 April 2006		10,929
Charge to income statement		<u>16,940</u>
At 1 April 2007		27,869
Charge to income statement		<u>29,674</u>
At 31 March 2008		<u>57,543</u>

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

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Accelerated capital allowances on assets financed	<u>57,543</u>	<u>27,869</u>

**RBSSAF (19) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**17 SHARE CAPITAL**

	2008	2007	2008	2007
	Number of shares		\$	\$
Authorised				
- Deferred shares of £1 each	100	100	193	193
- Ordinary shares of \$1 each	1,000	1,000	1,000	1,000
			<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	100	100
			<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 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.

**18 RETAINED EARNINGS**

	\$'000
Balance at 1 April 2006	1,493
Profit for the financial year	<u>496</u>
Balance at 1 April 2007	1,989
Profit for the financial year	<u>4,486</u>
Balance at 31 March 2008	<u>6,475</u>

Since the year end the Company has declared dividends of \$3,934,120 (\$39,341 per ordinary share) on 4 April 2008 (2007: nil).

**19 NOTES TO THE CASH FLOW STATEMENT**

	2008	2007
	\$'000	\$'000
Profit before tax	245	542
Adjustments for:		
Interest expense	32,109	15,503
Increase in receivables	(274,905)	(201,626)
Increase/(decrease) in payables	<u>956</u>	<u>(1,630)</u>
Cash generated by operations	(241,595)	(187,211)
Income taxes received	31,211	13,473
Interest paid	<u>(31,838)</u>	<u>(15,372)</u>
Net cash used in operating activities	<u>(242,222)</u>	<u>(189,110)</u>

NOTES TO THE FINANCIAL STATEMENTS

20 RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions

	2008 \$'000	2007 \$'000
Royal Bank Leasing Limited		
Transactions during the period		
- Management charge paid to related party	45	47
- Interest on loan paid to related party	2,639	690
- Group relief received	31,211	13,473
- Additional borrowing from related party	<u>35,520</u>	<u>13,109</u>
Group relief owed to related party	8,739	5,350
Outstanding balance owed to the related party	<u>(35,426)</u>	<u>(16,940)</u>
The Royal Bank of Scotland plc		
Bank account held with related party	<u>14</u>	<u>23</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.