

Company Registration No: 05038969

RBSSAF (19) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the period 1 January 2005 to 31 March 2005



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

RBSSAF (19) LIMITED

CONTENTS

Page

Officers and Professional Advisers

1

Directors' Report

2-4

Independent Auditors' Report

5-6

Balance Sheet

7

Notes to the Financial Statements

8-10

RBSSAF (19) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**T V Castledine
S J Caterer
A C Farnell
P A Tubb**

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 period from 1 January 2005 to 31 March 2005.

CHANGE IN ACCOUNTING REFERENCE DATE

The Company has changed its accounting reference date from 31 December to 31 March as it is considered more appropriate for the new business undertaken since the end of the period.

POST BALANCE SHEET EVENT

On 14 April 2005 the Company entered into an agreement for four new ship leases.

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 the financial statements are therefore presented in that currency.

The result for the year was \$nil (2004: \$nil).

SHARE CAPITAL

On 11 February 2005, the existing authorised share capital of the Company of 100 Ordinary Shares of £1.00 each, including the issued share capital of 2 Ordinary Shares of £1.00 each, was converted to 100 Deferred Shares of £1.00. Furthermore, on the same date, the authorised share capital was increased by US\$1,000 by the creation of 1,000 shares of US\$1.00, 100 of which were issued to Royal Bank Leasing Limited.

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the period except where noted below, are listed on page 1.

From 1 January 2005 to date the following changes have taken place:

	Appointed	Resigned
Secretary		
M L Thomas		18 November 2005
C J Whittaker	18 November 2005	

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 T V Castledine, S J Caterer, A C Farnell and P A Tubb in the share capital of The Royal Bank of Scotland Group plc 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 March 2006, 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.

ELECTIVE RESOLUTIONS

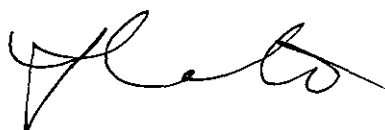
The company has passed Elective Resolutions electing to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

RBSSAF (19) 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', with a stylized, cursive script.

S J Caterer

Director

Date: 27 January 2006

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

We have audited the financial statements of RBSSAF (19) Limited for the period ended 31 March 2005 which comprise the balance sheet and related notes 1 to 7. 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 the 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 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 period 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 as at 31 March 2005 and of its result for the period from 1 January 2005 to 31 March 2005 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol
Date:

30 January 2006

RBSSAF (19) LIMITED

BALANCE SHEET
as at 31 March 2005

	Note	2005 \$	31 December 2004 restated \$
CURRENT ASSETS			
DEBTORS:			
Amounts owed by group undertakings		104	4
		<hr/>	<hr/>
NET ASSETS		<u>104</u>	<u>4</u>
CAPITAL			
Called up share capital	4	104	4
		<hr/>	<hr/>
TOTAL EQUITY SHAREHOLDERS' FUNDS	6	<u>104</u>	<u>4</u>

The financial statements on pages 7 to 10 were approved and authorised for issue by the Board of Directors on 27 January 2006 and were signed on its behalf by :-



S J Caterer
Director

The notes on pages 8 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements on pages 7 to 10 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 has changed its reporting currency to the US dollar following a decision to predominantly use that currency for its activities. The comparative figures for the balance sheet for the prior period have been translated to US dollars using the closing rate at 31 December 2004.

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 FOREIGN CURRENCY

The Company's functional currency is the US dollar. Monetary assets or liabilities denominated in other currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in these foreign currencies 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.

c 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

4 SHARE CAPITAL

	31 March 2005	31 December 2004	31 March 2005	31 December 2004 restated
	£	£	\$	\$
Authorised:				
- Deferred shares of £1 each	100	100	189	193
- Ordinary shares of \$1 each			<u>1,000</u>	<u>-</u>
			<u>1,189</u>	<u>193</u>
Allotted, called-up and not yet paid:				
- Deferred shares of £1 each	2	2	4	4
- Ordinary shares of \$1 each			<u>100</u>	<u>-</u>
			<u>104</u>	<u>4</u>

On 11 February 2005 it was resolved that the Company's authorised share capital of £100 Ordinary shares of £1 each, including the issued share capital of 2 Ordinary shares of £1 be converted to 100 Deferred shares of £1.

On 11 February 2005 it was also resolved that the authorised share capital be increased by 1,000 Ordinary shares of \$1 each. 100 Ordinary \$1 shares were issued at par on this same date.

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.

5 PROFIT AND LOSS ACCOUNT

The Company has not traded during the current or prior period, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss. A profit and loss account is therefore not presented.

The Company has no recognised gains and losses and therefore a statement of total recognised gains and losses has not been presented.

All directors are employed and remunerated by The Royal Bank of Scotland plc, which did not make a recharge to the company in 2005 nor 2004.

There are no employees in the company (2004: nil)

The auditors' remuneration for audit services in 2005 and 2004 was borne by Royal Bank Leasing Limited which made no recharge to the company.

RBSSAF (19) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 RECONCILIATION OF SHAREHOLDERS' FUNDS

	31 March 2005	31 December 2004 restated
	\$	\$
Proceeds of equity share issue and net addition to shareholders' funds	100	-
Opening shareholders' funds	<u>4</u>	<u>4</u>
Closing shareholders' funds	<u>104</u>	<u>4</u>

7 POST BALANCE SHEET EVENT

On the 14 April 2005 the Company entered into an agreement to provide lease finance for four ships. The expected capital cost of asset additions financed under this agreement is \$181,000,000 in the year to 31 March 2006.