

Company Registration No: 5039001

PATALEX IV PRODUCTIONS LIMITED
(formerly RBSSAF (24) Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the period from 9 February 2004 to 30 November 2004



PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

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PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**Trevor Castledine
Sharon Jill Caterer
Adrian Colin Farnell
Philip Anthony Tubb**

SECRETARY:

Marina Louise Thomas

REGISTERED OFFICE:

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

AUDITORS:

**Deloitte & Touche LLP
Bristol**

Registered in England and Wales.

PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period from incorporation on 9 February 2004 to 30 November 2004.

The company commenced trading on 4 May 2004.

CHANGE OF NAME

On 25 April 2004 the Company changed its name from RBSSAF (24) Limited to Patalex IV Productions Limited.

ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company, which is a wholly owned subsidiary of Royal Bank Leasing Limited, is to carry on the business of developing, making, producing, distributing, exhibiting (by any means now or hereafter becoming known) and otherwise exploiting cinematograph films and video and sound recordings; manufacturing, buying, selling and otherwise dealing in cinematograph films, video recordings and any material on which video or sound recordings can be made and all types of equipment capable of being used in connection with the manufacture or processing of cinematograph films or such material for the production, exhibition or playing of cinematograph films or video or sound recordings.

The retained profit for the period was £75,000 and this was transferred to reserves. The directors do not recommend that a dividend be paid.

The directors do not anticipate any material change in either the type or level of activities of the company.

DIRECTORS AND SECRETARY

The names of the present directors and secretary are as listed on page 1.

From 9 February 2004 to date the following changes have taken place:

	Appointed	Resigned
Directors		
Adrian Colin Farnell	9 February 2004	
Graham Colin Clemett	9 February 2004	29 February 2004
Sharon Jill Caterer	1 March 2004	
Nigel Pearce	9 February 2004	18 March 2004
Domhnal Slattery	18 March 2004	19 July 2004
Philip Anthony Tubb	19 May 2004	
William Vaughan Latter	9 February 2004	7 June 2004
Trevor Castledine	18 June 2004	
Company Secretary		
Marina Louise Thomas	9 February 2004	

DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' INTERESTS

No director had an interest in the shares of the company.

The interests of Mr T V Castledine, Mrs S J Caterer, Mr A C Farnell and Mr P A Tubb in the share capital of The Royal Bank of Scotland Group plc 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 30 November 2005, the Group will adhere to the following payment policy in respect of all suppliers. The Group is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Group's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract or such other payment period as may be agreed.

The proportion which the amount owed to trade creditors at 30 November 2004 bears to the amounts invoiced by suppliers during the year then ended equated to nil days proportion of 365 days.

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.

PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'S J Caterer', written in a cursive style.

S J Caterer
Director

Date: 1 June 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PATALEX IV PRODUCTIONS LIMITED

We have audited the financial statements of Patalex IV Productions Limited for the period from 9 February 2004 to 30 November 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 2004 and of its profit for the period ended 30 November 2004 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol

3rd June 2005

PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

PROFIT AND LOSS ACCOUNT
for the period ended 30 November 2004

	CONTINUING OPERATIONS	
	Period from	
	9 February 2004 to	
	Note 30 November 2004	
	£'000	
Turnover	4	2,568
Administrative expenses	5	<u>(879)</u>
OPERATING PROFIT	5	1,689
Interest payable	6	<u>(1,582)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		107
Taxation charge on profit on ordinary activities	7	<u>(32)</u>
RETAINED PROFIT FOR THE YEAR	11	<u><u>75</u></u>

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

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

The notes on pages 8 to 11 form part of these financial statements.

PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

BALANCE SHEET
as at 30 November 2004

	Note	2004 £'000
CURRENT ASSETS		
DEBTORS:		
Finance lease receivables due after more than one year		98,902
Other debtors	8	<u>5,930</u>
		104,832
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(9,064)</u>
NET CURRENT ASSETS		<u>95,768</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		95,768
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	<u>(95,693)</u>
NET ASSETS		<u><u>75</u></u>
CAPITAL AND RESERVES		
Called up share capital	10	-
Profit and loss account	11	<u>75</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	12	<u><u>75</u></u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on 1 June 2005 and were signed on its behalf by :-



S J Caterer
Director

The notes on pages 8 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements on pages 6 to 11 are prepared on the basis of the principal accounting policies adopted by the Company described below and applicable United Kingdom Accounting Standards. Accounting policies have been applied consistently.

The Company's accounts have been prepared in accordance with the Statement of Recommended Practice (SORP) issued by the Finance & Leasing Association. The SORP, 'Accounting issues in the asset finance and leasing industry', was published in April 2000.

a ACCOUNTING CONVENTION

The financial statements of the Company are prepared under the historical cost convention. In accordance with the Companies Act 1985, the Directors have adapted the prescribed formats of the financial statements as required by the special nature of the business.

b GROSS EARNINGS UNDER FINANCE LEASES

Gross earnings under finance leases are recognised according to the actuarial after tax method whereby pre tax and post tax profits are allocated to accounting periods so as to give a constant periodic rate of return on the net cash investment.

c AMOUNTS RECEIVABLE UNDER FINANCE LEASES

Finance lease receivables are stated in the balance sheet at the amount of the net investment in the leases. Progress payments made prior to the commencement of the primary lease are included at cost together with the amount of any interest charged on such payments.

d 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, 42 St. Andrew Square, Edinburgh, EH2 2YE.

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, 42 St Andrew Square, Edinburgh, EH2 2YE.

NOTES TO THE FINANCIAL STATEMENTS

3 RELATED PARTY TRANSACTIONS

The Company is exempt from the requirements of Financial Reporting Standard 8, 'Related Party Disclosures', to disclose transactions and balances with other subsidiaries or investees of The Royal Bank of Scotland Group plc as the results are included in the consolidated financial statements of The Royal Bank of Scotland Group plc.

There were no other related party transactions during the year or any amounts due to or from related parties outstanding at the balance sheet date.

4 TURNOVER

Period from
9 February 2004 to
to 30 November 2004
£'000

Finance leases:

Amortisation	<u>2,568</u>
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Capital cost of asset additions financed:

Finance leases	<u>96,334</u>
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5 OPERATING PROFIT

Period from
9 February 2004 to
to 30 November 2004
£'000

Includes the following:

Administrative expenses:

Fees & commissions	877
Management charge	<u>2</u>
	<u>879</u>

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

Other directors and employees are employed and remunerated by The Royal Bank of Scotland plc, which did not make a recharge to the company in 2004. Costs incurred in respect of audit services are included in the management charge as shown below:

	£
Auditors' remuneration - for audit services	<u>325</u>

PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

NOTES TO THE FINANCIAL STATEMENTS

6	INTEREST PAYABLE	Period from 9 February 2004 to to 30 November 2004 £'000
	Interest payable to group undertakings	<u>1,582</u>
7	TAXATION	Period from 9 February 2004 to to 30 November 2004 £'000
	A) ANALYSIS OF CHARGE FOR THE PERIOD	
	Current tax charge:	
	- Group relief payable on profits for the period	32
	Taxation charge on profit on ordinary activities	<u>32</u>
	B) FACTORS AFFECTING THE CURRENT TAX CHARGE FOR THE PERIOD	
	Profit on ordinary activities before tax	<u>107</u>
	Tax on profit on ordinary activities at the standard rate of 30%	32
	Current tax charge	<u>32</u>
8	DEBTORS	2004 £'000
	Amounts falling due within one year:	
	Amounts due from group undertakings	2
	Other debtors	<u>5,928</u>
		<u>5,930</u>

PATALEX IV PRODUCTIONS LIMITED (formerly RBSSAF (24) Limited)

NOTES TO THE FINANCIAL STATEMENTS

9	CREDITORS	2004 £'000
	Amounts falling due within one year:	
	Trade creditors	6,650
	Amounts due to group undertakings	<u>2,414</u>
		<u>9,064</u>

Amounts falling due after more than one year:

Amounts due to group undertakings:	
After more than five years	<u>95,693</u>

A right of set-off exists over the Company's bank account with The Royal Bank of Scotland plc against advances made to the Company's immediate holding company and its subsidiaries.

Amounts falling due after more than five years are repayable by instalments with varying repayment terms. Interest rates applicable to these amounts will be determined by reference to inter bank rates for three, six and twelve months.

10	SHARE CAPITAL	2004
		Ordinary shares of £1 each
	Authorised	<u>100</u>
	Allotted, called up and not paid	<u>2</u>

The ordinary shares were issued at par on 9 February 2004.

11	PROFIT AND LOSS ACCOUNT	£'000
	At 9 February 2004	-
	Retained profit for the year	<u>75</u>
	At 30 November 2004	<u>75</u>

12	RECONCILIATION OF SHAREHOLDERS' FUNDS	2004 £'000
	Profit for the financial period and net addition to shareholders' funds	75
	Opening shareholders' funds	<u>-</u>
	Closing shareholders' funds	<u>75</u>