

RM Leasing Limited

Annual report and financial statements
for the year ended 30 September 2009

Registered number 05045231 (England and Wales)

TUESDAY



ADHTJL23

A10

22/06/2010

71

COMPANIES HOUSE

RM Leasing Limited
Company information
For the year ended 30 September 2009

Directors	M Greig D Muir
Secretary	E Hollinrake
Company number	05045231 (England and Wales)
Registered Office	183 Milton Park Abingdon Oxfordshire OX14 4SE
Auditors	Deloitte LLP Reading

RM Leasing Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 30 September 2009

Principal activity

The principal activity of the Company in the year under review was that of a hire purchase company

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the directors' report below

The current economic conditions create uncertainty particularly over the level of demand for the company's services and the availability of finance through banking facilities

The Company is not reliant on any external funding. The directors are confident that, if required, group support is forthcoming. As a consequence, despite the current uncertain economic outlook, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Thus, they continue to adopt the going concern basis in preparing the annual report and accounts

Review of business and future prospects

During the year the Company leased vehicles to fellow Group companies. The directors expect that this activity will continue and expand in forthcoming periods. The company has taken advantage of the small company exemption under s417 of the Companies Act 2006 not to prepare a business review.

Directors

The directors who held office during the year and to the date of signing are as stated on page 1

Results and dividends

The profit for the year after taxation was £62,981 (2008 £34,105 loss)

A dividend of 400p per share, totalling £40,000 has been paid (2008 £nil)

Principal risks and uncertainties

RM plc manages its operations on a global business unit basis with Group risks being identified in RM plc's annual report

The Company has put in place processes designed to identify the principal risks and uncertainties it faces and to manage and mitigate their effect. These risks are summarised below:

Liquidity risk - Cash is managed to ensure that sufficient liquid funds are available with a variety of counterparties, but principally other Group companies, through short, medium and long-term cash flow forecasting

DIRECTORS' REPORT (CONTINUED)

Principal risks and uncertainties (continued)

Growth risk – As the Company grows it is important that it remains positioned for simplicity. In doing this it needs to continue to seek development and management experience offered by the RM Group.

Interest rate risk - The only interest bearing financial assets and liabilities held by the Company are cash and cash equivalents and current payables with other group companies. These inter-group loans carry interest linked to national inter-bank rates. The interest rate risk on these instruments is not considered significant.

Auditors

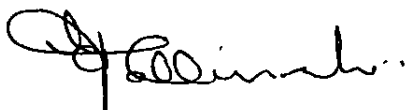
Each of the persons who is a director at the date of approval of this report confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



E Hollinrake
Secretary

4 February 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have chosen to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's Web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RM Leasing Limited
Independent Auditor's Report to the Shareholders

We have audited the financial statements of RM Leasing Limited for the year ended 30 September 2009 which comprise the income statement, balance sheet, cash flow statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

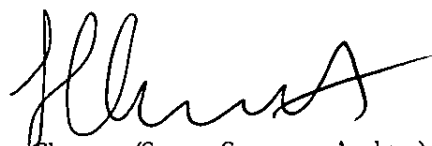
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



John Clennett (Senior Statutory Auditor)

For and on behalf of **Deloitte LLP**
Chartered Accountants and Statutory Auditors

Reading, United Kingdom
4 February 2010

INCOME STATEMENT

For the year ended 30 September 2009

£	Notes	2009	2008
Revenue	3	188,685	188,904
Gross profit		188,685	188,904
Other operating income		40,525	-
Other operating costs		(25,843)	(3,785)
Profit from operations	5	203,367	185,119
Investment income	6	4	-
Finance costs	7	(115,897)	(204,778)
Profit/(loss) before tax		87,474	(19,659)
Tax	8	(24,493)	(14,446)
Profit/(loss) for the year attributable to equity holders of the parent	13	62,981	(34,105)

All amounts derive from continuing operations

The Company has no recognised income or expense other than the results for the current and prior periods. Accordingly, no statement of recognised income and expense is presented.

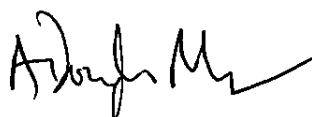
RM Leasing Limited
Annual report and accounts 2009

BALANCE SHEET
As at 30 September 2009

£	Notes	2009	2008
Non-current assets			
Trade and other receivables	9a	1,129,594	1,452,085
Current assets			
Trade and other receivables	9a	2,135,219	1,895,096
Cash and cash equivalents	11	1,000	1,000
		2,136,219	1,896,096
Total assets		3,265,813	3,348,181
Current liabilities			
Trade and other payables	10	(3,234,599)	(3,353,458)
Tax liabilities	10	(15,548)	(2,038)
		(3,250,147)	(3,355,496)
Net current liabilities		(1,113,928)	(1,459,400)
Total liabilities		(3,250,147)	(3,335,496)
Net assets/(deficit)		15,666	(7,315)
Equity attributable to equity holders of the parent			
Share capital	12,13	10,000	10,000
Retained earnings	13	5,666	(17,315)
Total equity/(deficit)	13	15,666	(7,315)

These financial statements of RM Leasing Limited, registered number 05045231, were approved and authorised for issue by the Board of Directors on 4 February 2010

Signed on behalf of the Board of Directors



D Muir
Director

RM Leasing Limited
Annual report and accounts 2009

CASH FLOW STATEMENT
For the year ended 30 September 2009

£	2009	2008
Profit from operations	203,367	185,119
Operating cash flows before movements in working capital	203,367	185,119
Decrease/(increase) in receivables	82,368	(1,298,646)
(Decrease)/increase in payables	(118,859)	1,318,593
Cash generated by operations	166,876	205,066
Tax paid	(10,983)	(288)
Interest paid	(115,897)	(204,778)
Net cash from operating activities	39,996	-
Investing activities		
Interest received	4	-
Net cash from investing activities	4	-
Financing activities		
Dividends paid	(40,000)	-
Net cash used in financing activities	(40,000)	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of year	1,000	1,000
Cash and cash equivalents at the end of year	1,000	1,000

NOTES TO THE FINANCIAL STATEMENTS

1. General information

RM Leasing Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out in the Business Review included in the Directors' report.

The Company is part of a European listed Group, whose ultimate parent is RM plc. The accounting policies are drawn up in accordance with those International Accounting Standards (IAS) and IFRSs issued by the International Accounting Standards Board (IASB) and adopted for use in the EU and therefore comply with Article 4 of the EU IAS Regulation applied in accordance with the provisions of the Companies Act 2006.

Adoption of new and revised International Financial Reporting Standards

The Company has adopted no new standards in the current financial year, following the prior year early adoption of IFRS 8 Operating Segments.

At the date of approval of these financial statements the following standards and interpretations were issued but not yet mandatory for the Company and have not been adopted:

International Financial Reporting Interpretations Committee (IFRIC) interpretations:

- IFRIC 12 Service Concession Arrangements
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Amendments to existing standards:

- IAS 1 Presentation of Financial Statements
- IAS 23 Borrowing Costs
- IAS 27 Consolidated and Separate Financial Statements
- IAS 32 Financial Instruments Presentation
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial adoption.

The significant IFRS accounting policies adopted by the Company are listed in note 2.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Going concern

The Company's business activities, together with the factors likely to affect its future development and performance are set out in the directors' report on pages 2 and 3.

The current economic conditions create uncertainty particularly over the level of demand for the Company's services and the availability of finance through banking facilities.

The Company is not reliant on any external funding. The directors are confident that, if required, group support is forthcoming. As a consequence, despite the current uncertain economic outlook, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

Revenue represents amounts receivable for services provided to third-parties net of VAT and other sales-related taxes. The hire purchase amount receivable includes both capital and finance elements.

Revenue from the sale of cars is recognised upon transfer to the purchaser of the significant risks and rewards of ownership.

Financial instruments

Trade and other receivables

Trade and other receivables other than long-term contract receivables are not interest bearing and are stated at their original invoiced value reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with a maturity of three months or less. Bank overdrafts are included in cash and cash equivalents only to the extent that the Company has the right of set-off.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at original invoiced amount.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

Dividends

Dividends are recognised as a liability in the period in which the shareholder's right to receive payment has been established

3. Revenue

An analysis of the Company's revenue is as follows

£	2009	2008
Revenue from hire purchase agreements	188,685	188,904
Investment income (note 6)	4	-
Total revenue	188,689	188,904

4. Business segments

The business operates in one primary segment, being the leasing of vehicles to Group companies.

The Company operates exclusively in the UK, with no other geographical segment being relevant for disclosure

5. Profit from operations

Profit from operations is stated after charging

£	2009	2008
Auditors' remuneration for audit services	3,106	3,206

There were no staff employed in the current or preceding year. It is impractical to allocate the directors' emoluments between services to this company and services to other Group companies. Directors' emoluments are paid by RM plc.

6. Investment income

£	2009	2008
Other finance income	4	-

7. Finance costs

£	2009	2008
Interest on amounts due to Group companies	115,897	204,778

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Tax

a) Analysis of tax credited to income statement:

£	2009	2008
Current taxation		
UK corporation tax	24,493	(5,701)
Adjustment in respect of prior years	-	20,147
Total current tax charge	24,493	14,446

b) Factors affecting the tax charge for the year:

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before tax is as follows

£	2009	2008
Profit/(loss) on ordinary activities before tax	87,474	(19,659)
Tax at 28% (2008 29%) thereon	24,493	(5,701)
Effects of - prior period adjustments	-	20,147
Tax charge	24,493	14,446

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Other financial assets

a) Trade and other receivables

£	2009	2008
Non current		
Amounts owed by Group companies from hire purchase contracts	1,129,594	1,452,085
Current		
Amounts owed by Group companies from hire purchase contracts	2,135,219	1,891,962
Other taxation and social security	-	3,134
	<u>2,135,219</u>	<u>1,895,096</u>
	<u>3,264,813</u>	<u>3,347,181</u>

	Minimum lease payments		Present value of minimum lease payments	
£	2009	2008	2009	2008
Amounts receivable under finance leases:				
Within one year	1,247,191	1,605,544	1,129,594	1,452,085
In the second to fifth years inclusive	2,207,003	2,021,701	2,135,219	1,891,962
	<u>3,454,194</u>	<u>3,627,245</u>	<u>3,264,813</u>	<u>3,344,047</u>
Less unearned finance income	(189,381)	(283,198)	n/a	n/a
Present value of minimum lease payments receivable	<u>3,264,813</u>	<u>3,344,047</u>	<u>3,264,813</u>	<u>3,344,047</u>

Analysed as:

Non-current finance lease receivables (recoverable after 12 months)	1,129,594	1,452,085
Current finance lease receivables (recoverable within 12 months)	2,135,219	1,891,962
	<u>3,264,813</u>	<u>3,344,047</u>

The directors consider that the carrying amount of trade and other receivables approximates their fair value

The directors do not believe any of the receivables to be impaired

Amounts owed by group companies are interest free and repayable on demand

b) Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Other financial liabilities - Trade and other payables

£	2009	2008
Current		
Trade payables	-	304,713
Other taxation and social security	41,958	-
Other creditors and accruals	151,106	3,206
Amounts due to Group companies	3,041,535	3,045,539
	3,234,599	3,353,458
Tax liabilities	15,548	2,038

Trade payables and accruals principally comprise amounts outstanding for the purchase of vehicles and ongoing costs. The average credit period taken for trade purchases is 28 days (2008: 24 days).

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Amounts due to group companies are interest bearing at LIBOR plus 2% (2008: 2%).

11. Financial instruments

Carrying value of financial assets and financial liabilities

£	Note	2009	2008
Financial assets - Loans and receivables:			
Trade and other receivables	9	3,264,813	3,347,181
Cash and cash equivalent		1,000	1,000
Financial liabilities - Loans and payables:			
Trade and other payables	10	3,234,599	3,353,458

The main risks arising from the Company's financial assets and liabilities are market risk (interest rate risk), credit risk and liquidity risk. The Board reviews and agrees policies on a regular basis for managing the risks associated with these assets and liabilities.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken and the Company does not hold or issue derivative financial instruments for speculative purposes.

Interest rate risk

The interest bearing financial assets and liabilities held by the Company are the hire purchase receivable, cash and cash equivalents and payables with other Group companies arising from cash surpluses/deficits. Interest on hire purchase contracts is charged at base rate + 2%, the Company does not hedge this exposure.

Interest rate risk sensitivity (assuming all other variables remain constant)

	2009		2008	
	Income sensitivity	Equity sensitivity	Income sensitivity	Equity sensitivity
1% increase in interest rates	(30,493)	(30,493)	(26,710)	(26,710)
1% decrease in interest rates	30,493	30,493	26,710	26,710

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial instruments (continued)

Interest rate risk (continued)

Cash and cash equivalents have the following interest rate profile

£	2009 Interest free	2008 Interest Free
Sterling	1,000	1,000
	1,000	1,000

Credit risk

The Company's principal financial assets are bank balances and other receivables. The Company's credit risk is primarily attributable to its trade and other receivables which arise from fellow Group companies.

Liquidity risk

Cash is managed to ensure that sufficient liquid funds are available with a variety of counterparties, but principally other Group companies, through short, medium and long-term cash flow forecasting.

Capital risk management

The Company's capital risk is managed at a Group level. Capital employed is measured as shareholder's equity less net funds less deferred consideration.

12. Share capital

	2009 £	2008 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up, but not fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

13. Reconciliation of shareholder's equity and reserves

£	Share capital	Retained earnings	Total equity
At 1 October 2007	10,000	16,790	26,790
Loss for the year	-	(34,105)	(34,105)
At 1 October 2008	10,000	(17,315)	(7,315)
Profit for the year	-	62,981	62,981
Dividends paid	-	(40,000)	(40,000)
At 30 September 2009	10,000	5,666	15,666

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Related party transactions

During the year, there were no transactions between the Company and its ultimate parent undertaking, RM plc. The Company entered into the following transactions with other Group companies

£	2009	2008
Purchases or sales of goods and services	1,225,303	1,548,321
Transfers under finance arrangements	(1,408,678)	(1,375,480)
Settlement of liabilities on behalf of the Company	-	(3,391)
	(183,375)	169,450

Transactions between Group companies are conducted on an arms length basis in compliance with Transfer Pricing regulations

15. Ultimate parent undertaking

The Company's immediate and ultimate parent undertaking is RM plc, a Company incorporated in the UK

The parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared is RM plc, a Company incorporated in the UK

The financial statements of the Group are publicly available and may be obtained from RM plc, New Mill House, 183 Milton Park, Abingdon, Oxfordshire, OX14 4SE