

Company Registration No: 03112023

R.B. LEASING (EDEN) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
30 September 2005

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



R.B. LEASING (EDEN) LIMITED

CONTENTS	Page
Officers and Professional Advisers	1
Directors' Report	2-3
Independent Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-10

R.B. LEASING (EDEN) 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.

R.B. LEASING (EDEN) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2005.

ACTIVITIES AND BUSINESS REVIEW

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

The retained profit for the year was £1,943,000 (2004: £2,094,000) and this was transferred to reserves. The directors do not recommend the payment of an interim dividend (2004: £nil).

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 1 October 2004 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 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 year. 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.

The directors confirm that these financial statements comply with the aforementioned requirements

R.B. LEASING (EDEN) LIMITED

DIRECTORS' INDEMNITIES

In terms of Section 309C of the Companies Act 1985 (as amended), Mr A C Farnell has been granted Qualifying Third Party Indemnity Provisions by The Royal Bank of Scotland Group plc.

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 group 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 September 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.

The proportion which the amount owed to trade creditors at 30 September 2005 bears to the amounts invoiced by suppliers during the period then ended equated to nil days proportion of 365 days (2004: nil days).

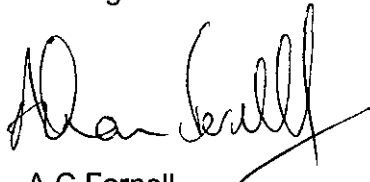
ELECTIVE RESOLUTIONS

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 were passed on 15 June 2001.

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 C Farnell
Director

Date: 21 July 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R. B. LEASING (EDEN) LIMITED

We have audited the financial statements of R.B. Leasing (Eden) Limited for the year ended 30 September 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

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

28 July 2006

R. B. LEASING (EDEN) LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2005

	Note	CONTINUING OPERATIONS	
		2005 £'000	2004 £'000
Turnover	4	856	1,880
Administrative expenses	5	<u>(296)</u>	<u>(178)</u>
OPERATING PROFIT	5	560	1,702
Interest receivable	6	<u>384</u>	<u>197</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		944	1,899
Taxation credit on profit on ordinary activities	7	<u>999</u>	<u>195</u>
RETAINED PROFIT FOR THE YEAR	13	<u>1,943</u>	<u>2,094</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.

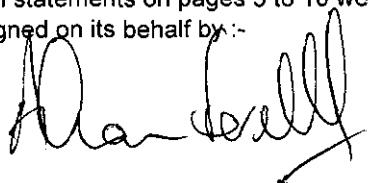
The notes on pages 7 to 10 form part of these financial statements.

R. B. LEASING (EDEN) LIMITED

BALANCE SHEET
as at 30 September 2005

	Note	2005 £'000	2004 £'000
CURRENT ASSETS			
DEBTORS:			
Finance lease receivables due after more than one year		45,679	46,651
Finance lease receivables due within one year		-	319
Other debtors	8	9,569	6,200
Accrued income	9	<u>4,582</u>	<u>3,021</u>
		59,830	56,191
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(3)</u>	<u>(2,836)</u>
NET CURRENT ASSETS		<u>59,827</u>	<u>53,355</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		59,827	53,355
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(10,368)</u>	<u>(5,839)</u>
NET ASSETS		<u>49,459</u>	<u>47,516</u>
CAPITAL AND RESERVES			
Called up share capital	12	42,000	42,000
Profit and loss account	13	<u>7,459</u>	<u>5,516</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	14	<u>49,459</u>	<u>47,516</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 21 July 2006 and were signed on its behalf by:-



A C Farnell
Director

The notes on pages 7 to 10 form part of these financial statements.

R. B. LEASING (EDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements on pages 5 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'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. For those leasing transactions where a permanent difference arises between the accounting and tax treatments of income and expense, a tax equalisation adjustment is made to each period to ensure that the resulting post tax profit is recognised in accordance with the actuarial after tax method.

c DEFERRED TAXATION

Certain items of income and expenditure are accounted for in different periods for financial reporting purposes than for taxation purposes. Deferred taxation is provided on the full liability method in respect of timing differences which have originated but not reversed at the balance sheet date. Deferred taxation is calculated on a non-discounted basis.

d 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.

e 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.

R. B. LEASING (EDEN) LIMITED

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	2005 £'000	2004 £'000
Finance leases:		
Rentals receivable	2,147	2,150
Amortisation	<u>(1,291)</u>	<u>(270)</u>
	<u>856</u>	<u>1,880</u>

The Company did not enter into any new leasing transactions during the year (2004 : £Nil)

5 OPERATING PROFIT	2005 £'000	2004 £'000
Includes the following:		
Administrative expenses:		
Fees & commissions	291	175
Management charge	<u>5</u>	<u>3</u>
	<u>296</u>	<u>178</u>

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

	£	£
Directors' emoluments	-	139
Auditors' remuneration - for audit services	326	291
Staff costs	<u>-</u>	<u>1,321</u>

The Royal Bank of Scotland Group has agreed to compensate UK members for any adjustments in respect of UK:UK Transfer Pricing that may arise under paragraph 1A of Schedule 28 AA, Income and Corporation Taxes Act 1988.

6 INTEREST RECEIVABLE	2005 £'000	2004 £'000
Interest receivable from group undertakings	<u>384</u>	<u>197</u>

R. B. LEASING (EDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7 TAXATION	2005 £'000	2004 £'000
A) ANALYSIS OF CREDIT FOR THE YEAR		
Current tax credit:		
- Group relief receivable on profits for the year	(785)	(383)
- Adjustment in respect of prior periods	<u>(3,182)</u>	<u>-</u>
	(3,967)	(383)
Taxation equalisation	(1,561)	(793)
Deferred tax - origination and reversal of timing differences:		
- Current year	1,096	981
- Adjustment in respect of prior periods	<u>3,433</u>	<u>-</u>
Taxation credit on profit on ordinary activities	<u>(999)</u>	<u>(195)</u>
B) FACTORS AFFECTING THE CURRENT TAX CREDIT FOR THE YEAR		
Profit on ordinary activities before tax	<u>944</u>	<u>1,899</u>
Tax on profit on ordinary activities at the standard rate of 30% (2004: 30%)	283	570
Capital allowances for period more than depreciation	(1,096)	(981)
Permanent difference - assets not qualifying for capital allowances	28	28
Adjustment to tax charge in respect of previous periods	<u>(3,182)</u>	<u>-</u>
Current tax credit	<u>(3,967)</u>	<u>(383)</u>
8 DEBTORS	2005 £'000	2004 £'000
Amounts falling due within one year:		
Amounts due from group undertakings	9,258	5,597
Other debtors	<u>311</u>	<u>603</u>
	<u>9,569</u>	<u>6,200</u>
9 ACCRUED INCOME		
Movements during the year:	Tax equalisation £'000	
At 1 October 2004	3,021	
Credit to profit and loss account	<u>1,561</u>	
At 30 September 2005	<u>4,582</u>	

R. B. LEASING (EDEN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 CREDITORS	2005 £'000	2004 £'000
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Amounts falling due within one year:

Amounts due to group undertakings	<u>3</u>	<u>2,836</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.

11 PROVISIONS FOR LIABILITIES AND CHARGES

Movements during the year:	Deferred taxation £'000
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At 1 October 2004	5,839
Charge to profit and loss account	<u>4,529</u>

At 30 September 2005	<u>10,368</u>
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Full provision has been made for the potential amount of deferred taxation shown below:

	2005 £'000	2004 £'000
Accelerated capital allowances on assets financed	<u>10,368</u>	<u>5,839</u>

12 SHARE CAPITAL	2005	2004
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Ordinary shares of £1 each

Authorised	<u>50,000,000</u>	<u>50,000,000</u>
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Allotted, called up and fully paid	<u>42,000,002</u>	<u>42,000,002</u>
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13 PROFIT AND LOSS ACCOUNT

	£'000
At 1 October 2004	5,516
Retained profit for the year	<u>1,943</u>
At 30 September 2005	<u>7,459</u>

14 RECONCILIATION OF SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Profit for the financial year and net addition to shareholders' funds	1,943	2,094
Opening shareholders' funds	<u>47,516</u>	<u>45,422</u>
Closing shareholders' funds	<u>49,459</u>	<u>47,516</u>