

Company Registration No: 01628589

LOMBARD CORPORATE FINANCE (4) 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**



LOMBARD CORPORATE FINANCE (4) LIMITED

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LOMBARD CORPORATE FINANCE (4) LIMITED

DIRECTORS:

**S J Caterer
P Sullivan
R Warren
I Shephard**

SECRETARY:

C J Whittaker

REGISTERED OFFICE:

**1 Princes Street
London
EC2R 8PB**

AUDITORS:

**Deloitte & Touche LLP
Bristol**

Registered in England and Wales.

LOMBARD CORPORATE FINANCE (4) LIMITED

DIRECTORS' REPORT

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

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985

The Company no longer has any leasing facilities but the directors may look for new opportunities in the future

The retained profit for the period was £1,000 (2007 retained profit £nil). The directors do not recommend that a dividend be paid (2007 £nil). The directors do not anticipate any material change in either the type or level of activities of the Company.

The Company 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

	Appointed	Resigned
Directors		
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
P Sullivan	31 July 2008	
R Warren	31 July 2008	
I Shephard	19 August 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;
- 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

LOMBARD CORPORATE FINANCE (4) LIMITED

DIRECTORS' RESPONSIBILITIES - continued

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 LOMBARD CORPORATE FINANCE (4) LIMITED

We have audited the financial statements of Lombard Corporate Finance (4) Limited ("the company") for the year ended 31 March 2008 which comprise the income statement, the statement of recognised income and expense, the balance sheet, the cash flow statement and the related Notes 1 to 15. 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
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

25th September 2008

LOMBARD CORPORATE FINANCE (4) LIMITED

INCOME STATEMENT
for the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
CONTINUING OPERATIONS			
Finance income	6	<u>1</u>	<u>-</u>
PROFIT BEFORE TAXATION		1	-
Taxation charge on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u><u>1</u></u>	<u><u>-</u></u>

The notes on pages 9 to 14 form part of these financial statements

LOMBARD CORPORATE FINANCE (4) LIMITED

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

	2008 £'000	2007 £'000
Profit for the year	<u>1</u>	<u>-</u>
Total recognised income and expense for the year	<u><u>1</u></u>	<u><u>-</u></u>

LOMBARD CORPORATE FINANCE (4) LIMITED

BALANCE SHEET
as at 31 March 2008

	Note	2008 £'000	2007 £'000
CONTINUING OPERATIONS			
CURRENT ASSETS			
Trade and other receivables	9	1	-
Cash and cash equivalents	10	<u>497</u>	<u>497</u>
		498	497
		<u>498</u>	<u>497</u>
TOTAL ASSETS		<u>498</u>	<u>497</u>
CURRENT LIABILITIES			
Trade and other payables	11	(177)	(177)
		<u>(177)</u>	<u>(177)</u>
TOTAL LIABILITIES		<u>(177)</u>	<u>(177)</u>
NET ASSETS		<u>321</u>	<u>320</u>
EQUITY			
Share capital	12	-	-
Retained earnings	13	<u>321</u>	<u>320</u>
TOTAL EQUITY		<u>321</u>	<u>320</u>

The financial statements on pages 5 to 14 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 14 form part of these financial statements

LOMBARD CORPORATE FINANCE (4) LIMITED

CASH FLOW STATEMENT
for the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
NET CASH FROM OPERATING ACTIVITIES	14	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		497	497
CASH AND CASH EQUIVALENTS AT END OF YEAR		497	497

LOMBARD CORPORATE FINANCE (4) 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.

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 company has within it cash balances and amounts owed to and from fellow group companies. The directors believe that there have been no significant judgements and assumptions involved in the Company's accounting policies.

b BORROWING COSTS

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

c 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.

d 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.

e 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.

f 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.

g 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.

LOMBARD CORPORATE FINANCE (4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

h 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.

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.

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 Lombard North Central PLC.

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. 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 financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ.

LOMBARD CORPORATE FINANCE (4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4 PROFIT BEFORE TAXATION

Auditors' remuneration is paid by the immediate parent undertaking. The audit fee in respect of the current period is £nil (2007: £nil).

5 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).

6 FINANCE INCOME

	2008 £'000	2007 £'000
Interest receivable from group undertakings	<u>1</u>	<u>-</u>

7 TAXATION

A) ANALYSIS OF TAX CHARGE FOR THE YEAR

Current tax charge

- Group relief payable on profit for the year
- Adjustment in respect of prior periods

-	-
<u>-</u>	<u>-</u>

Deferred tax - origination and reversal of timing differences

- Current year
- Adjustment in respect of prior periods

-	-
<u>-</u>	<u>-</u>

Tax charge

<u>-</u>	<u>-</u>
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B) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

Profit before tax

<u>1</u>	<u>-</u>
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Tax on profit at the standard rate of 30% (2007: 30%)

Impact of rate change from 30% to 28%

Adjustment to tax charge in respect of previous periods

-	-
-	-
<u>-</u>	<u>-</u>

Tax charge

<u>-</u>	<u>-</u>
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LOMBARD CORPORATE FINANCE (4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 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
Loans and receivables				
Trade and other receivables	1	1	-	-
Cash and cash equivalents	497	497	497	497
Financial assets	<u>498</u>	<u>498</u>	<u>497</u>	<u>497</u>
Financial liabilities measured at amortised cost				
Trade and other payables	177	177	177	177
Financial liabilities	<u>177</u>	<u>177</u>	<u>177</u>	<u>177</u>

b) Financial instrument - carrying amount by market risk exposure

Interest rate risk

	2008 £'000	2007 £'000
Financial assets		
- variable rate	497	497
- non-interest bearing	1	-
	<u>498</u>	<u>497</u>
Financial liabilities		
- non-interest bearing	177	177
	<u>177</u>	<u>177</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

c) Financial asset - credit quality

Summary and concentration of credit risk
- maximum credit exposure and neither past due nor impaired

	2008 £'000	2007 £'000
Group undertakings	<u>498</u>	<u>497</u>

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

LOMBARD CORPORATE FINANCE (4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 FINANCIAL INSTRUMENTS - CONTINUED

d) Liquidity risk

Contractual cashflows payable to maturity on financial liabilities on an undiscounted basis

	2008 £'000	2007 £'000
Trade payables less than 1 year	<u>177</u>	<u>177</u>

9 TRADE AND OTHER RECEIVABLES

	2008 £'000	2007 £'000
Amounts due from group undertakings	<u>1</u>	<u>-</u>

10 CASH AND CASH EQUIVALENTS

	2008 £'000	2007 £'000
Short term deposits with group undertakings	400	-
Bank account with group undertakings	<u>97</u>	<u>497</u>
	<u>497</u>	<u>497</u>

11 TRADE AND OTHER PAYABLES

	2008 £'000	2007 £'000
Amounts falling due within one year		
Amounts due to group undertakings	<u>177</u>	<u>177</u>

12 SHARE CAPITAL

	2008 Number of shares	2007 Number of shares	2008 £	2007 £
Ordinary Shares of £1				
Authorised				
- Ordinary shares of £1 each	100	100	<u>100</u>	<u>100</u>
Called up and fully paid				
- Ordinary shares of £1 each	100	100	<u>100</u>	<u>100</u>

The Company has one class of ordinary voting shares which carry no right to fixed income

13 RETAINED EARNINGS

	£'000
Balance at 1 April 2006	320
Profit for the financial year	<u>-</u>
Balance at 1 April 2007	320
Profit for the financial year	<u>1</u>
Balance at 31 March 2008	<u>321</u>

LOMBARD CORPORATE FINANCE (4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 NOTES TO THE CASH FLOW STATEMENT

	2008 £'000	2007 £'000
Profit before tax	1	-
Adjustments for		
Interest income	(1)	-
Decrease in creditors	1	-
Increase in debtors	<u>(1)</u>	<u>-</u>
Net cash from operating activities	<u>-</u>	<u>-</u>

15 RELATED PARTY TRANSACTIONS

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

	2008 £'000	2007 £'000
The Royal Bank of Scotland plc		
Transactions during the period		
- Interest on deposit paid to related party	<u>1</u>	<u>-</u>
Cash & cash equivalents held with related party	497	497
Outstanding balance owed by the related party	<u>1</u>	<u>-</u>
Royal Bank Leasing Limited		
Group relief owed by related party	<u>(177)</u>	<u>(177)</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.