

Company Registered No: 02060602

LOMBARD LEASING CONTRACTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2018

FRIDAY



A7L9AX9F

A16

21/12/2018

#373

COMPANIES HOUSE

LOMBARD LEASING CONTRACTS LIMITED

02060602

CONTENTS

Page

OFFICERS AND PROFESSIONAL ADVISERS

1

STRATEGIC REPORT

2

DIRECTORS' REPORT

5

INDEPENDENT AUDITOR'S REPORT

6

PROFIT AND LOSS ACCOUNT

9

BALANCE SHEET

10

STATEMENT OF CHANGES IN EQUITY

11

NOTES TO THE FINANCIAL STATEMENTS

12

LOMBARD LEASING CONTRACTS LIMITED

02060602

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

D G Harris
I A Ellis
S J Roulston

COMPANY SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

1 Princes Street
London
EC2R 8PB

PRINCIPAL PLACE OF BUSINESS:

The Quadrangle
The Promenade
Cheltenham
GL50 1PX

INDEPENDENT AUDITOR:

Ernst & Young LLP
Statutory Auditor
The Paragon
Counterslip
Bristol
BS1 6BX

Registered in England and Wales

STRATEGIC REPORT

The directors of Lombard Leasing Contracts Limited ("the Company") present their annual report together with the audited financial statements for the financial year ended 31 March 2018.

ACTIVITIES AND BUSINESS REVIEW**Activity**

The principal activity of the Company was the provision of fixed asset finance usually involving individually structured facilities.

The Company is a subsidiary of The Royal Bank of Scotland Group plc ("RBS") which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of RBS review these matters on a group basis. Copies can be obtained from Corporate Governance and Regulatory Affairs, RBS, Gogarburn, Edinburgh EH12 1HQ, the Registrar of Companies or at www.rbs.com.

Review of the year**Business review**

The directors are satisfied with the Company's performance in the year. On 21 July 2017, the Company sold its entire portfolio of assets held for lease to a third party, the associated head leases were terminated, the Company ceased to trade and has remained dormant.

FINANCIAL PERFORMANCE

The Company's financial performance is presented on pages 9 to 11.

Turnover decreased by £15,923,000 (2017: £123,000) and finance cost decreased by £741,000 (2017: £590,000). Operating income has increased by £51,787,000 due to profit on disposal of operating lease. The profit for the year was £48,834,000 (2017: £9,365,000).

At the end of the year, the Balance Sheet showed total assets of £8,719,000 (2017: £132,174,000), including income-generating assets comprising loan receivables of £8,600,000 (2017: £2,700,000) and cash of £11,000 (2017: £382,000) together representing a decrease of 93%. Total shareholders' funds were £8,465,000 (2017: £3,659,000).

Dividends

A dividend of £44,000,000 was paid during the year (2017: £19,000,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company seeks to minimise its exposure to financial risks other than credit risk.

Management focuses on both the overall balance sheet structure and the control, within prudent limits, of risk arising from mismatches, including currency, maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the RBS Asset and Liability Management Committee (RBS ALCO).

The Company is funded by facilities from The Royal Bank of Scotland plc. These are denominated in sterling which is the functional currency and carry no significant financial risk.

STRATEGIC REPORT**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

The principal risks associated with the Company are as follows:

Interest rate risk

Structural interest rate risk arises where assets and liabilities have different re-pricing maturities.

The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

Credit risk

Credit risk is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the Company.

All material loans receivable are with group companies. Although credit risk arises this is not considered to be significant and no amounts are past due.

Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages this risk, in line with the RBS group framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The Company also maintains contingency facilities to support operations in the event of disasters.

GOING CONCERN

On 21 July 2017, the Company sold its entire portfolio of assets held for lease to a third party, the associated head leases were terminated and the Company ceased to trade but the directors do not have the ability to liquidate the company in next 12 months and so it is expected that the company will remain dormant.

The directors however, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 a Strategic Report, Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that period. 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 FRS 101 has been followed; 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 to enable them to ensure that the Strategic Report, Directors' Report and financial statements comply with the requirements of 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.

STRATEGIC REPORT

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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



S J Roulston

Director

Date: 19 December 2018

DIRECTORS' REPORT

The Strategic Report includes the review of the year, risk report, disclosure of information to auditors and note of post balance sheet events.

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 2017 to date the following changes have taken place:

	Appointed	Resigned
Directors		
J H Wood	-	30 June 2017
N J McDauid	-	31 July 2017
A P Johnson	-	31 July 2017
S J Caterer	-	31 August 2017
D G Harris	31 July 2017	-
S J Roulston	21 September 2017	-
E Mayes	31 July 2017	6 March 2018
I A Ellis	6 March 2018	-

INDEPENDENT AUDITOR

Ernst & Young LLP has expressed its willingness to continue in office as auditor.

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



S J Roulston
Director
Date: 19 December 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD LEASING CONTRACTS LIMITED

Opinion

We have audited the financial statements of Lombard Leasing Contracts Limited ('the Company') for the year ended 31 March 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD LEASING CONTRACTS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

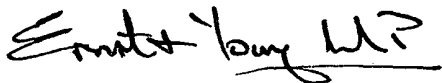
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD LEASING CONTRACTS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP'.

Richard Page (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor,
Bristol, United Kingdom
Date 20 December 2018

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2018

		2018 £'000	2017 £'000
Income from discontinued operations	Notes		
Turnover	3	6,959	22,882
Cost of sales		(2,614)	(8,636)
Operating income	4	51,808	21
Operating expenses	5	(402)	(405)
Operating profit		55,751	13,862
Finance income	6	80	74
Finance costs	7	(195)	(936)
Profit on ordinary activities before tax		55,636	13,000
Tax charge	8	(6,802)	(3,635)
Profit and total comprehensive income for the year		48,834	9,365

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
as at 31 March 2018

	Notes	2018 £'000	2017 £'000
Non-current assets			
Property, plant and equipment	10	-	128,664
Current assets			
Loans receivable	12	8,600	2,700
Trade and other receivables	13	-	412
Prepayments, accrued income and other assets	14	108	16
Cash at bank		11	382
		8,719	3,510
Total assets		8,719	132,174
Current liabilities			
Borrowings	15	54	33,897
Trade and other payables	16	-	1,183
Current tax liabilities		-	1,209
Accruals, deferred income and other liabilities	17	172	306
		226	36,595
Total assets less current liabilities		8,493	95,579
Non-current liabilities			
Borrowings	15	-	67,473
Deferred tax liability	18	-	24,447
		-	91,920
Total liabilities		226	128,515
Equity			
Called up share capital	19	-	-
Profit and loss account		8,493	3,659
Total equity		8,493	3,659
Total liabilities and equity		8,719	132,174

The accompanying notes form an integral part of these financial statements.

The financial statements of the Company were approved by the Board of Directors on 19 December 2018 and signed on its behalf by:


S J Roulston
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2018

	Note	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2016		-	13,294	13,294
Profit for the year		-	9,365	9,365
Dividends paid	9	-	(19,000)	(19,000)
At 31 March 2017		-	3,659	3,659
Profit for the year		-	48,834	48,834
Dividends paid	9	-	(44,000)	(44,000)
At 31 March 2018		-	8,493	8,493

Total comprehensive income for the year of £48,834,000 (2017: £9,365,000) was wholly attributable to the owners of the Company.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Preparation and presentation of financial statements

These financial statements are prepared:

- on a going concern basis;
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS); and
- on the historical cost basis.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

The Company is incorporated in the UK and registered in England and Wales and the financial statements are presented:

- in accordance with the Companies Act 2006;
- In Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
 - cash-flow statement;
 - standards not yet effective;
 - related party transactions; and
 - Disclosure requirements of IFRS 7 "Financial Instruments: Disclosure and IFRS 13 "Fair value Measurement".

Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 20.

There were no changes to IFRS that were effective from 1 April 2017 which have a material effect on the Company's financial statements for the year ended 31 March 2018.

b) Revenue recognition

Turnover comprises income from operating leases and loans and other services which arise in the United Kingdom from continuing activities.

Rental income from operating leases is recognised in the Profit and Loss Account on a straight-line basis over the lease term unless another systematic basis better represents the time pattern of the asset's use.

Fees in respect of services are recognised as the right to consideration accrues through the provisions of services to customers.

Interest income on financial assets that are classified as loans and receivables, available-for-sale or held-to-maturity and interest expense on financial liabilities other than those at fair value are determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability.

c) Taxation

Income tax expense or income, comprising current tax and deferred tax, is recorded in the Profit and Loss Account except income tax on items recognised outside profit or loss which is credited or charged to other comprehensive income or to equity as appropriate.

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

c) Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

The depreciable amount is the cost of an asset less its residual value. Land is not depreciated. Depreciation is charged to profit or loss on a straight-line basis so as to write-off the depreciable amount of property, plant and equipment (including assets owned and let on operating leases) over their estimated useful lives:

Assets held for use in operating leases – over the term of the lease

The residual value and useful life of property, plant and equipment are reviewed at each balance sheet date and updated for any changes to previous estimates.

e) Impairment of property, plant and equipment

At each reporting date, the Company assesses whether there is any indication that its property, plant and equipment are impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss if any. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of future cash flows from the asset or cash generating unit discounted at a rate that reflects market interest rates adjusted for risks specific to the asset or cash-generating unit that have not been taken into account in estimating future cash flows. If the recoverable amount of the asset is less than its carrying value, an impairment loss is recognised immediately in profit or loss and the carrying value of the asset reduced by the amount of the loss.

f) Leases

Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer; all other contracts with customers to lease assets are classified as operating leases.

Operating lease assets are included within Property, plant and equipment and depreciated over their useful lives. (see accounting policy 1(d)).

g) Financial assets

On initial recognition, financial assets are classified into loans and receivables.

Loans and receivables

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

h) Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

i) Financial liabilities

On initial recognition financial liabilities are classified as amortised cost.

j) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when it has been transferred and the transfer qualifies for derecognition in accordance with IAS 39 "Financial Instruments : Recognition and Measurement".

A financial liability is removed from the Balance Sheet when the obligation is discharged, cancelled or expires.

2. Critical accounting policies and key sources of estimation uncertainty

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. In accordance with their responsibilities for these financial statements, the factors the directors consider most important to the portrayal of the Company's performance and financial condition are discussed below.

Residual values

The Company assesses objective evidence for impairment of residual values at each balance sheet date adjusting the depreciation recognised on operating leases amount accordingly. An impairment loss is incurred and measured as the shortfall between the carrying value of the residual interest and the discounted value of the estimated future cash flows, including cash flows from guarantors.

Leased assets

Judgement is required in the classification of a lease at inception and after any material amendment to assess whether substantially all the significant risks and rewards of ownership accrue to the lessor or the lessee.

3. Turnover

	2018 £'000	2017 £'000
Operating lease income:		
Rent receivable	6,959	22,882

The Company did not enter into any new leasing transactions during the year (2017: nil).

NOTES TO THE FINANCIAL STATEMENTS

4. Operating income

	2018 £'000	2017 £'000
Profit on disposal of leases	51,806	-
Fee income	-	15
Other income	2	6
	<u>51,808</u>	<u>21</u>

5. Operating expenses

	2018 £'000	2017 £'000
Legal and professional expenses	196	302
Management fees	183	88
Auditor's remuneration	15	15
Other charges	8	-
	<u>402</u>	<u>405</u>

Staff costs, number of employees and directors' emoluments

The Company does not remunerate directors nor can remuneration from elsewhere in the group be apportioned meaningfully in respect of their services to the Company. The Company has no employees and pays a management fee for services provided by other group companies.

6. Finance income

	2018 £'000	2017 £'000
On loans receivable from group companies	<u>80</u>	<u>74</u>

7. Finance costs

	2018 £'000	2017 £'000
Interest on loans from group companies	165	936
Other - Break costs	30	-
	<u>195</u>	<u>936</u>

NOTES TO THE FINANCIAL STATEMENTS

8. Tax

	2018 £'000	2017 £'000
Current taxation:		
UK corporation tax charge for the year	35,017	4,333
Over provision in respect of prior periods	(3,768)	-
	31,249	4,333
Deferred taxation:		
Credit for the year	(24,447)	(698)
Tax charge for the year	6,802	3,635

Where appropriate current tax consists of sums payable or receivable for group relief.

The actual tax charge differs from the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2017: standard rate 20%) as follows:

	2018 £'000	2017 £'000
Expected tax charge	10,570	2,600
Non-deductible items	-	6
Adjustments in respect of prior periods	(3,768)	-
Impact of rate change	-	1,029
Actual tax charge for the year	6,802	3,635

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted at the balance sheet date standing at 20% with effect from 1 April 2015, 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax liability has been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

9. Ordinary dividends

	2018 £'000	2017 £'000
Interim dividend paid	44,000	19,000

NOTES TO THE FINANCIAL STATEMENTS

10. Property, plant and equipment

	Assets held for use in operating leases £'000
2018	
Cost	
At 1 April 2017	265,508
Disposals	(265,508)
At 31 March 2018	-
Accumulated depreciation and impairment	
At 1 April 2017	136,844
Depreciation charge for the year	2,614
Disposals	(139,458)
At 31 March 2018	-
Net book value	
At 31 March 2018	-
At 31 March 2017	128,664

11. Operating lease arrangements

At the balance sheet date, the Company had contracted with customers for the following future minimum lease rentals receivable under non-cancellable operating leases:

	Within 1 year £'000	Between 1 and 5 years £'000	Total £'000
2018	-	-	-
2017	22,887	24,550	47,437
Nature of operating lease assets in the balance sheet:		2018	2017
		£'000	£'000
Transportation		-	128,664

Company as lessor

The Company provides asset finance to its customers through acting as lessor.

12. Loans receivable

	2018 £'000	2017 £'000
Due within one year		
Amounts owed by group companies	8,600	2,700

NOTES TO THE FINANCIAL STATEMENTS

13. Trade and other receivables

	2018 £'000	2017 £'000
Due within one year		
Trade receivables	-	17
Value Added Tax recoverable	-	12
Other receivables	-	383
	-	412

14. Prepayments, accrued income and other assets

	2018 £'000	2017 £'000
Accrued income	-	7
Group relief receivable from group companies	105	-
Other assets	3	9
	108	16

15. Borrowings

	2018 £'000	2017 £'000
Loans from group companies	54	101,370
Current: on demand or within one year	54	33,897
Non-current		
- between one and two years	-	4,597
- between two and five years	-	62,876
Total non current	-	67,473

16. Trade and other payables

	2018 £'000	2017 £'000
Due within one year		
Value Added Tax payable	-	1,153
Other payables	-	30
	-	1,183

17. Accruals, deferred income and other liabilities

	2018 £'000	2017 £'000
Accruals	172	234
Deferred income	-	7
Other liabilities	-	65
	172	306

NOTES TO THE FINANCIAL STATEMENTS

18. Deferred tax

Deferred tax liability comprises:

	Capital allowances £'000
At 1 April 2016	25,145
Credit to profit and loss account	(698)
At 31 March 2017	24,447
Credit to profit and loss account	(24,447)
At 31 March 2018	-

19. Share capital

	2018 £	2017 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity shares		
100 ordinary shares of £1 each	100	100

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

20. Related parties

UK Government

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly-owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of taxes including UK corporation tax and Value Added Tax.

Group companies

As at 31 March 2018

The Company's immediate parent was:	Lombard North Central plc
The smallest consolidated accounts including the company were prepared by:	National Westminster Bank Plc
The ultimate parent company was:	The Royal Bank of Scotland Group plc

All parent companies are incorporated in the UK. Copies of their accounts may be obtained from Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

Capital Support Deed

The Company, together with other members of The Royal Bank of Scotland Group plc, is party to a capital support deed (CSD). Under the terms of the CSD, the Company may be required, if compatible with its legal obligations, to make distributions on, or repurchase or redeem, its ordinary shares. The amount of this obligation is limited to the Company's immediately accessible funds or assets, rights, facilities or other resources that, using best efforts, are reasonably capable of being converted to cleared, immediately available funds (the Company's available resources). The CSD also provides that, in certain circumstances, funding received by the Company from other parties to the CSD becomes immediately repayable, such repayment being limited to the Company's available resources.