Company Registered No: 02148808

LOMBARD BUSINESS FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended 30 September 2020

CONTENTS

LOMBARD BUSINESS FINANCE LIMITED 02148808

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	I J Isaac J A Pattara
COMPANY SECRETARY:	NatWest Group Secretarial Services Limited (formerly RBS Secretarial Services Limited)
REGISTERED OFFICE:	250 Bishopsgate London EC2M 4AA
INDEPENDENT AUDITOR:	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

Registered in England and Wales

DIRECTORS' REPORT

CHANGE OF REGISTERED OFFICE

On 25 November 2019, the Registered Office of the Company changed from 280 Bishopsgate, London, EC2M 4RB to 250 Bishopsgate, London, EC2M 4AA.

ACTIVITIES AND BUSINESS REVIEW

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and therefore does not include a Strategic Report.

Activity
Prior to the sale of its lease assets on 17 August 2020, the principal activity of the Company was the provision of credit finance by way of leasing.

Review of the period

Business review

The accounting period of the Company was extended to 30 September and on 17 August 2020 the Company sold its lease assets to a fellow NatWest Group undertaking at carrying value producing no profit or loss. The Company has subsequently not traded. It is the intention of the directors to wind up the Company within the next 12 months.

Financial performance

The retained loss for the period was £18k (12 months ended 30 June 2019: profit £85k) and this was transferred from reserves. The directors do not recommend a payment of interim dividend.

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 NatWest Group Asset and Liability Management Committee (Group ALCO).

The Company was funded by facilities from Lombard North Central PLC. These were denominated in sterling which is the functional currency and carried no significant financial risk.

The Company's assets had mainly comprised finance lease receivables which had exposed it to interest, credit, liquidity, market, residual value and operational risk. Following the transfer of its lease portfolio the Company's assets now comprise loans receivable which would expose it to credit risk, liquidity risk and operational risk.

The principal risks associated with the Company are as follows:

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

Liquidity risk
Liquidity risk arises where assets and liabilities have different contractual maturities. Management focuses on risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations.

DIRECTORS' REPORT

Principal risks and uncertainties (continued)

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 NatWest 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

These financial statements are prepared on other than going concern basis, see note 1(a) on page 11.

DIRECTORS AND COMPANY SECRETARY

The present Directors and company secretary, who have served throughout the period, are listed on page 1.

From 1 July 2019 to date, there have been no changes to the directors and secretary of the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare a Directors' Report and financial statements for each financial period. 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 period 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. For the reasons stated in the Directors' report and Note 1(a), the financial statements have been prepared on a basis other than 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 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.

DIRECTORS' REPORT

DISCLOSURE OF INFORMATION TO AUDITOR

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

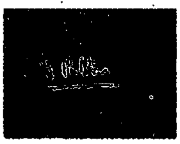
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that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

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

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:



J A Pattara
Director
Date: 13th May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD BUSINESS FINANCE LIMITED

Opinion

We have audited the financial statements of Lombard Business Finance Limited ("the Company") for the period ended 30 September 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, 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 including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its loss for the period 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.

Emphasis of Matter — financial statements prepared on a basis other than going concern

We draw attention to Note 1a) to the financial statements which explains that the Directors intend to liquidate the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1a). Our opinion is not modified in respect of this matter.

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 BUSINESS FINANCE LIMITED

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; 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 Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirements to prepare 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 BUSINESS FINANCE 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.

Ernst & Young LLP

Andy Blackmore (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date: 14 May 2021

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 September 2020

Income from discontinued operations	Note	15 months ended 30 September 2020 £'000	12 months ended 30 June 2019 £'000
Turnover	3	56	149
Cost of sales		-	(17)
Operating expenses	4	(35)	(4)
Operating profit		21	128
Finance costs	5	(22)	(41)
(Loss)/profit before tax		(1)	87
Tax charge	6	(17)	(2)
(Loss)/profit and total comprehensive (loss)/income for the period		(18)	85

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

BALANCE SHEET
as at 30 September 2020

	Note	30 September 2020 £'000	30 June 2019 £'000
Non-current assets			
Finance lease receivables	7	-	684
Current assets			
Finance lease receivables	7	-	641
Loans receivable	8	445	-
Trade and other receivables	9	-	2
Prepayments, accrued income and other assets	10	-	198
		445	841
Total assets		445	1,525
Current liabilities			
Borrowings	11	-	911
Current tax liabilities		113	-
Accruals, deferred income and other liabilities	12	9	44
		122	955
Non-current liabilities			
Deferred tax liability	6	-	229
		-	229
Total liabilities		122	1,184
Equity			
Called up share capital	13	-	-
Profit and loss account		323	341
Total equity		323	341
Total liabilities and equity		445	1,525

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

The financial statements were approved by the Board of Directors on 13th May 2021 and signed on its behalf by:

J A Pattara
Director

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 2020

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 July 2018	-	256	256
Profit for the period	-	85	85
At 30 June 2019	-	341	341
Loss for the period	-	**(18)**	**(18)**
At 30 September 2020	-	**323**	**323**

Total comprehensive loss for the period of £18k (12 months ended 30 June 2019: income £85k) 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 other than going concern basis. The directors, having regard to their intention to place the Company in liquidation within the next 12 months, have prepared the accounts on a basis other than as a going concern. The assets are in the financial statements at expected recoverable value and liabilities at expected settlement (extinguishment) value. The costs of liquidation will be borne by Lombard North Central PLC.

  In the first quarter of 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. Many governments, including the UK, have taken stringent measures to contain and/or delay the spread of the virus. Actions taken in response to the spread of Covid-19 have resulted in severe disruption to business operations and a significant increase in economic uncertainty, with more volatile asset prices and currency exchange rates, and a marked decline in long-term interest rates in developed economies.

  Natwest Holdings Group ("the Group") has a well-developed business continuity plan which includes pandemic response, enabling the Group to quickly adapt to these unprecedented circumstances and continue as viable business.

  There remains significant uncertainty regarding the developments of the pandemic and the future economic recovery. The directors have considered the impact of Covid-19 on the Company and, given the decision to place the Company in liquidation within the next 12 months, the directors do not consider that the Covid-19 pandemic will have a material impact on the Company in the future; and

- under Financial Reporting Standard (FRS) 101 *Reduced Disclosure Framework* and in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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:
  - comparative information in respect of certain assets;
  - cash-flow statement;
  - standards not yet effective;
  - related party transactions; and
  - disclosure requirements of IFRS7 "Financial Instruments: Disclosure" and IFRS13 "Fair Value Measurement".

Where required, equivalent disclosures are given in the Group accounts of NatWest Group plc (formerly known as The Royal Bank of Scotland Group plc), these accounts are available to the public and can be obtained as set out in note 14.

The changes to IFRS that were effective from 1 July 2019 have had no material effect on the Company's financial statements for the period ended 30 September 2020.

1. Accounting policies (continued)

b) Revenue recognition

Turnover comprises income from finance leases, operating leases, loans and other services and arises in the United Kingdom from continuing activities.

Finance lease income is allocated to accounting periods so as to give a constant periodic rate of return before tax on the net investment. Unguaranteed residual values are subject to regular review; if there is a reduction in the estimated unguaranteed residual value, income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

Rental income during the primary period of operating leases is recognised in the income statement on a straight-line basis over the lease term unless another systematic basis better represents the time pattern of the asset's use.

Rental income during the secondary period income is recognised in line with IFRS 15 'Revenue' in the period which arises.

Revenue from the sale of rental assets is recognised on transfer of ownership.

Fee income in respect of lending arrangements is considered integral to the yield and is included in the effective interest rate on these arrangements.

Fees in respect of services are recognised as the right to consideration accrues through the performance of each distinct service obligation to the customer. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered. The price is usually fixed and always determinable.

Interest income or expense relates to financial instruments measured at amortised cost and debt instruments classified as fair value through OCI using the effective interest rate method, the effective part of any related accounting hedging instruments and finance lease income recognised at a constant periodic rate of retum before tax on the net investment. Negative effective interest accruing to financial assets is presented in interest payable.

Other interest relating to financial instruments measured at fair value is recognised as part of the movement in fair value.

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 period arising in income, other comprehensive income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

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.

1. Accounting policies (continued)

d) Leases
The Company has adopted IFRS 16 'Leases' with effect from 1 January 2019, replacing IAS 17 'Leases'. The Company has applied IFRS 16 on a modified retrospective basis.

Finance lease contracts are those which transfer substantially all the risks and rewards of ownership of an asset to a customer. All other contracts with customers to lease assets are classified as operating leases.

Finance lease receivables are measured at the net investment in the lease, comprising the minimum lease payments and any unguaranteed residual value discounted at the interest rate implicit in the lease. Turnover includes finance lease income recognised at a constant periodic rate of return before tax on the net investment. Unguaranteed residual values are subject to regular review; if there is a reduction in their value, income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

Rental income from operating leases is recognised in turnover on a straight-line basis over the lease term unless another systematic basis better represents the time pattern of the asset's use. Operating lease assets are included within Property, plant and equipment and depreciated over their useful lives.

e) Financial instruments
Financial instruments are classified either by product, by business model or by reference to the IFRS default classification.

Classification by product relies on specific designation criteria which are applicable to certain classes of financial assets or circumstances where accounting mismatches would otherwise arise. Classification by business model reflects how the Company manages its financial assets to generate cash flows. A business model assessment determines if cash flows result from holding financial assets to collect the contractual cash flows; from selling those financial assets; or both.

The product classifications apply to financial assets that are either designated at fair value through profit or loss (DFV); or to equity investments designated as at fair value through other comprehensive income (FVOCI). In all other instances, fair value through profit or loss (MFVTPL) is the default classification and measurement category for financial assets.

Regular way purchases of financial assets classified as amortised cost, are recognised on the settlement date; all other regular way transactions in financial assets are recognised on the trade date.

All financial instruments are measured at fair value on initial recognition.

All liabilities not subsequently measured at fair value are measured at amortised cost.

Most financial assets are held to collect the contractual cash flows that comprise solely payments of principal and interest and are measured at amortised cost. Certain financial assets managed under a business model of both to collect contractual cash flows comprising solely of payments of principal and interest, and to sell, are measured at fair value through other comprehensive income ('FVOCI').

f) Impairment of financial assets
At each balance sheet date each financial asset or portfolio of loans measured at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is assessed for impairment. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

1. Accounting policies (continued)

f) Impairment of financial assets (continued)

The costs of loss allowances on assets held at amortised cost are presented as impairments in the income statement. Allowances in respect financial guarantees and loan commitments are presented in administrative expenses. Contingent liabilities are presented gross of allowances except where the asset has been wholly or partially written off.

g) 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 IFRS 9 "Financial Instruments".

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 estimates the directors consider most important to the portrayal of the Company's performance and financial condition are discussed below.

Loan impairment provisions

In the financial period, the loan impairment provisions have been established in accordance with IFRS 9. Accounting policy 1(f) sets out how the expected loss approach is applied. A loan is impaired when there is objective evidence that the cash flows will not occur in the manner expected when the loan is advanced. Such evidence includes changes in the credit rating of the borrower, the failure to make payments in accordance with the loan agreement; significant reductions in the value of any security, breach of limits or covenants; and observable data about relevant macroeconomic measures.

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. Unguaranteed residual values are subject to regular review, if there is a reduction in the finance lease receivables estimated unguaranteed residual value, income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

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

	30 September 2020 £'000	30 June 2019 £'000
Finance lease income	**56**	103
Operating lease rental income	**-**	11
Sale of operating lease assets	**-**	35
	56	149

NOTES TO THE FINANCIAL STATEMENTS

4. Operating expenses

	30 September 2020 £'000	30 June 2019 £'000
Commission payable	**1**	2
Management fees	**33**	1
Bad debt charge	**1**	1
	35	4

Management fees
Management fees include the costs of staff and directors borne by other members of NatWest Group, none of which can be apportioned meaningfully in respect of services to the Company. These are recharged on an annual basis by Lombard North Central PLC.

Auditor's remuneration
There was no charge in either the current period or prior year's financial statements for auditor's remuneration as the fees of £5,000 for the current period (12 months ended 30 June 2019: £5,000) were charged in the financial statements of Lombard North Central PLC.

5. Finance costs

	30 September 2020 £'000	30 June 2019 £'000
Interest on loans from Group companies	**22**	41

6. Tax

	30 September 2020 £'000	30 June 2019 £'000
Current tax:		
UK corporation tax charge/(credit) for the period	**121**	(198)
	121	(198)
Deferred taxation:		
(Credit)/charge for the period	**(104)**	200
	(104)	200
Tax charge for the period	**17**	2

The actual tax charge differs from the expected tax charge computed by applying the standard UK corporation tax rate of 19% (2019: 19%) as follows:

	30 September 2020 £'000	30 June 2019 £'000
Expected tax charge	**-**	17
Effect of lower deferred tax to standard rate	**17**	(15)
Adjustments in respect of prior periods	**-**	-
	17	2

In the current period the substantively enacted tax rate applicable from 1 April 2020 was increased from 17% to 19%. A rate change adjustment has arisen as the opening deferred tax had been calculated taking into account the previously enacted rate of 17%.

6. Tax (continued)

Deferred tax

Deferred tax (assets)/ liabilities comprise:

	Capital allowances £'000	Other £'000	Total £'000
At 1 July 2018	28	1	29
Charge to income statement	200	-	200
At 30 June 2019	228	1	229
Credit to income statement	**(104)**	**-**	**(104)**
Transfer on sale of lease assets	**(124)**	**(1)**	**(125)**
At 30 September 2020	**-**	**-**	**-**

7. Finance lease receivables

	30 September 2020 £'000
Amounts included in income statement for finance leases	
Finance income on the net investment in leases	**56**

30 June 2019	Within 1 year £'000	Between 1 and 5 years £'000	After 5 years £'000	Total £'000
Future minimum lease payments	632	771	-	1,403
Unearned finance income	(19)	(87)	-	(106)
Others	28	-	-	28
Carrying value	641	684	-	1,325

	30 September 2020 £'000	30 June 2019 £'000
Due within one year	-	641
Due after more than one year	-	684
	-	1,325

No new finance lease agreements were entered into during the current period (2019: £nil). On 17 August 2020 the entire leasing portfolio was transferred to a fellow group undertaking at carrying value producing no profit or loss. The Company has subsequently not traded.

At 30 June 2019 the portfolio was due to mature fully within 5 years and the average effective interest rate in relation to finance lease agreements approximated 5.45%.

There were no contingent rentals recognised in income in the period (2019: none).

8. Loans receivable

	30 September 2020 £'000	30 June 2019 £'000
Due within one year		
Amounts owed by group companies	**445**	-

9. Trade and other receivables

	30 September 2020 £'000	30 June 2019 £'000
Other receivables	-	2

10. Prepayments, accrued income and other assets

	30 September 2020 £'000	30 June 2019 £'000
Group relief receivable	-	198

11. Borrowings

	30 September 2020 £'000	30 June 2019 £'000
Amounts due to parent company	-	911

12. Accruals, deferred income and other liabilities

	30 September 2020 £'000	30 June 2019 £'000
Deferred income	-	6
Value Added Tax payable	9	38
	9	44

13. Share capital

	30 September 2020 £	30 June 2019 £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
Alloted, called up and fully paid:		
100 Ordinary shares of £1 each	100	100

14. Related parties

UK Government
The UK Government through HM Treasury is the ultimate controlling party of NatWest Group plc. Its shareholding is managed by UK Government 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 arm's length basis; they include the payment of taxes including UK corporation tax and value added tax; together with transactions undertaken in the normal course of business.

Group undertakings

At 30 September 2020

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:	NatWest Group plc

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

On 22 July 2020, The Royal Bank of Scotland Group plc changed its name to NatWest Group plc.