

Company Registered No: 02354702

LOMBARD PLANT FINANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 30 September 2013

**RBS Secretariat
The Royal Bank of Scotland Group plc
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ**

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

S J Caterer
J E Rogers
R F Warren

SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

1 Princes Street
London
EC2R 8PB

AUDITOR:

Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Registered England and Wales

DIRECTORS' REPORT

The directors of Lombard Plant Finance Limited ("the company") present their report and the audited financial statements for the year ended 30 September 2013

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions available to companies entitled to the small companies exemption

Activity

The company has no remaining leasing transactions and the directors do not anticipate that any further business will be written

The company is a subsidiary of The Royal Bank of Scotland Group plc 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 The Royal Bank of Scotland Group plc review these matters on a group basis. Copies can be obtained from RBS Secretariat, RBS Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or through the group's website at rbs.com

Financial performance

The Company's financial performance is presented in the Statement of Comprehensive Income on page 6. The operating profit before taxation for the year was £33,000 (2012 £4,000). The retained loss for the year was £50,000 (2012 £217,000).

At the end of the year total assets were £2,499,000 (2012 £5,179,000)

Dividends

The directors do not recommend the payment of a dividend (2012 £nil)

Principal risks and uncertainties

The company is funded by facilities from National Westminster Bank plc. It optimises risk exposure by borrowing and lending only from group companies.

Going concern

It is the intention of the directors to wind up the company within the next 12 months. Accordingly, having made such enquiries as they considered appropriate, they have prepared the financial statements on a basis other than that of a going concern.

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 October 2012 to date the following change has taken place:

Director	Appointed	Resigned
P D J Sullivan	-	31 December 2013

DIRECTORS' REPORT (continued)

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 Directors' Report and financial statements for each financial year and the directors have elected to prepare them in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law the directors 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 for the financial year of the company. In preparing these financial statements, under International Accounting Standard 1, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

DISCLOSURE OF INFORMATION TO AUDITOR

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

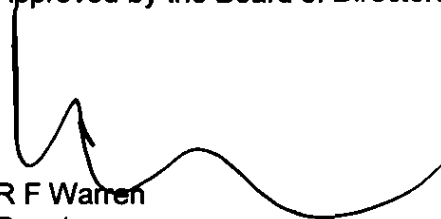
- in so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the company's auditor is aware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

Deloitte LLP has expressed its willingness to continue in office as auditor

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


 R F Warren
 Director
 Date 28 March 2014

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

We have audited the financial statements of Lombard Plant Finance Limited ('the company') for the year ended 30 September 2013 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 14. These financial statements have been prepared on a basis other than that of going concern under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with 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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

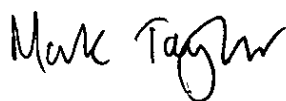
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD PLANT
FINANCE LIMITED (continued)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report



Mark Taylor, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
Date 28 March 2014

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 September 2013

	Notes	2013 £'000	2012 £'000
Finance income	3	-	4
Other income	4	33	-
Profit before tax		33	4
Tax charge	5	(83)	(221)
Loss and total comprehensive loss for the year		(50)	(217)

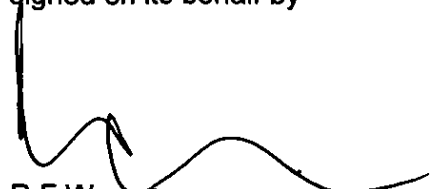
The accompanying notes form an integral part of these financial statements

BALANCE SHEET
As at 30 September 2013

	Notes	2013 £'000	2012 £'000
Non-current assets			
Deferred tax asset	9	1,980	2,760
Current assets			
Prepayments, accrued income and other assets	6	519	585
Loans and receivables	7	-	1,834
Total assets		2,499	5,179
Current liabilities			
Trade and other payables	8	2,470	5,100
Total liabilities		2,470	5,100
Equity			
Share capital	12	-	-
Retained earnings		29	79
Total equity		29	79
Total liabilities and equity		2,499	5,179

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 28 March 2014 and signed on its behalf by



R F Warren
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2013

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 October 2011	-	296	296
Loss for the year	-	(217)	(217)
At 30 September 2012	-	79	79
Loss for the year	-	(50)	(50)
At 30 September 2013	-	29	29

Total comprehensive loss for the year of £50,000 (2012 £217,000) was wholly attributable to the owners of the company

The accompanying notes form an integral part of these financial statements

CASH FLOW STATEMENT

For the year ended 30 September 2013

	2013 £'000	2012 £'000
Operating activities		
Profit for the year before tax	33	4
Adjustments for:		
Finance income	-	(4)
Operating cash flows before movements in working capital	33	-
Decrease in trade and other payables	(2,630)	-
Net cash flows used in operating activities before tax	(2,597)	-
Group relief received	763	804
Net cash flows (used in)/from operating activities	(1,834)	804
Cash flows from investing activities		
Interest received from group undertakings	-	4
Net cash flows from investing activities	-	4
Net (decrease)/increase in cash and cash equivalents	(1,834)	808
Cash and cash equivalents at beginning of year	1,834	1,026
Cash and cash equivalents at end of year	-	1,834

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Presentation of accounts**

The company is incorporated in the UK and registered in England and Wales. The company's accounts are presented in accordance with the Companies Act 2006.

The accounts are prepared in accordance with IFRS 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").

The company has no remaining lease contracts, has ceased to trade and the directors intend to wind it up. Accordingly, the accounts have been prepared other than on a going concern basis. This did not require the company to re-measure or reclassify any assets, liabilities or commitments.

The accounts are presented in sterling and prepared on the historical cost basis.

Adoption of new and revised standards

There are a number of changes to IFRS that were effective from 1 October 2012. They have had no material effect on the company's financial statements for the year ended 30 September 2013.

b) Revenue recognition

Interest income on financial assets that are classified as loans and receivables 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 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 Statement of Comprehensive Income 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.

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 a 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

d) Financial assets

On initial recognition, financial assets are classified into held-to-maturity investments held-for-trading, designated as at fair value through profit or loss, loans and receivables, or available-for-sale financial assets

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.

e) Financial liabilities

On initial recognition financial liabilities are classified into held-for-trading, designated as at fair value through profit or loss, or amortised cost.

Amortised cost

Other than derivatives, which are recognised and measured at fair value, all other financial liabilities are measured at amortised cost using the effective interest method.

f) Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents comprise cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

g) Accounting developments

The company has considered all recent IASB announcements and none of these are expected to have a significant impact on the company's accounting policies and financial statements.

2. Operating expenses

Auditor's remuneration

There was no charge in the current year's financial statements for auditor's remuneration as the fees of £5,000 were charged in the financial statements of The Royal Bank of Scotland plc (2012: £5,000 borne by Royal Bank Leasing Limited).

3. Finance income

	2013 £'000	2012 £'000
Receivable from group undertakings	-	4

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Other income

	2013 £'000	2012 £'000
Other income	33	-

5. Tax

	2013 £'000	2012 £'000
Current taxation:		
UK corporation tax credit for the year	(697)	(749)
Over provision in respect of prior periods	-	(20)
	(697)	(769)
Deferred taxation:		
Charge for the year	705	705
Impact of tax rate changes	75	285
	780	990
Tax charge for the year	83	221

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 blended rate of UK corporation tax of 23.50% (2012 blended tax rate 25%) as follows

	2013 £'000	2012 £'000
Profit before tax	33	4
Expected tax charge	8	1
Adjustments in respect of prior periods	-	(20)
Reduction in deferred tax following change in rate of UK corporation tax	75	240
Actual tax charge for the year	83	221

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted in July 2013 now standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. The closing deferred tax assets and liabilities have been calculated at 22% in accordance with the rates enacted at the balance sheet date.

6. Prepayments, accrued income and other assets

	2013 £'000	2012 £'000
Group relief receivable from fellow subsidiary undertaking	519	585

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Loans and receivables

	2013 £'000	2012 £'000
Short-term deposits – other group company	-	1,834

8. Trade and other payables

	2013 £'000	2012 £'000
Other payables to group companies – immediate parent company	2,470	5,067
Other payables	-	33
	2,470	5,100

9. Deferred tax

The following are the major tax assets/(liabilities) recognised by the company and the movements thereon

	Embedded Derivative £'000
At 1 October 2011	3,750
Charge to income	(990)
At 30 September 2012	2,760
Charge to income	(780)
At 30 September 2013	1,980

Despite the company being loss-making in the previous two periods, the deferred tax asset remains realisable as it would be crystallised in the company's final period to strike off through group relief

10. Financial instruments

Categories of financial instrument

All financial assets are classed as loans and receivables All financial liabilities are classed as amortised cost

There are no material differences between the fair value and the carrying value of the financial instruments

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Risk management

Market risk

Market risk is the potential for loss as a result of adverse changes in risk factors including interest rates, foreign currency and equity prices together with related parameters such as market volatilities

The company optimises its exposure to market risk by placing surplus liquidity with other members of the Group

12. Share capital

	2013 £	2012 £
Authorised:		
1,000 Ordinary shares of £1	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1	100	100

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

13. Capital resources

The company's capital consists of equity comprising issued share capital and retained earnings. The company is a member of The Royal Bank of Scotland group of companies which has regulatory disciplines over the use of capital. In the management of capital resources, the company is governed by the group's policy which is to maintain a strong capital base. It is not separately regulated. The group has complied with the Prudential Regulation Authority's capital requirements throughout the year.

14. Related parties

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.

Group undertakings

The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in the UK and registered in Scotland. Its immediate parent company is National Westminster Bank plc which is incorporated in the UK and registered in England and Wales.

As at 30 September 2013, The Royal Bank of Scotland Group plc heads the largest group in which the company is consolidated and National Westminster Bank plc heads the smallest group in which the company is consolidated. Copies of the consolidated accounts of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.

NOTES TO THE FINANCIAL STATEMENTS (continued)**14. Related parties (continued)****Key management**

The directors do not receive remuneration for specific services provided to the company

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