

Company Registered No: 03676732

LOMBARD CORPORATE FINANCE (6) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020



LOMBARD CORPORATE FINANCE (6) LIMITED

03676732

CONTENTS

Page

OFFICERS AND PROFESSIONAL ADVISERS

1

DIRECTORS' REPORT

2

INDEPENDENT AUDITOR'S REPORT

5

STATEMENT OF COMPREHENSIVE INCOME

8

BALANCE SHEET

9

STATEMENT OF CHANGES IN EQUITY

10

NOTES TO THE FINANCIAL STATEMENTS

11

LOMBARD CORPORATE FINANCE (6) LIMITED

03676732

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: S C Lowe
K D Pereira

COMPANY SECRETARY: NatWest Markets Secretarial Services Limited

REGISTERED OFFICE: 250 Bishopsgate
London
EC2M 4AA
England

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

Registered in England and Wales

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****DIRECTORS' REPORT**

The directors of Lombard Corporate Finance (6) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2020.

ACTIVITIES AND BUSINESS REVIEW

This 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

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

The Company is a subsidiary of NatWest Group plc (formerly known as The Royal Bank of Scotland Group plc (RBSG 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 NatWest Group plc review these matters on a group basis. Copies may be requested from Legal, Governance and Regulatory Affairs, NatWest Group plc, Gogarburn, Edinburgh, PO Box 1000 EH12 1HQ, the Registrar of Companies or at www.natwestgroup.com.

NatWest Group comprises NatWest Group plc, its subsidiary and associated undertakings.

Review of the year**Business review**

The primary lease has matured and the customer has not opted for a secondary lease. The company has entered a dormant status and documentation to complete the termination of the lease is in progress. The intention of the Board of Directors is to wind up the Company within the next 12 months from date of signing.

International Accounting Standard (IAS) 1 "Presentation of Financial Statements" requires the financial statements in such circumstances to be prepared on a basis other than going concern. The Directors do not consider that this has affected the recognition and measurement of the assets at recoverable amount and liabilities at settlement value of the Company. Any cost of the winding up will be borne by NatWest Markets plc.

Financial performance

The loss for the year was £4,000 (2019: profit of £1,402,000) and this was transferred to reserves. An interim dividend of £nil was paid during the year (2019: nil).

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 liquidity. It is undertaken within limits and other policy parameters set by the NWM Group Asset and Liability Management Committee (NWM ALCO).

The Company is funded by facilities from Lombard Corporate Finance (11) Limited. These are denominated in sterling which is the functional currency and carry no significant financial risk.

The Company's assets mainly comprise cash which would expose it to interest, operational and market risk except that the counterparties are group companies and credit risk is not considered significant.

LOMBARD CORPORATE FINANCE (6) LIMITED

03676732

DIRECTORS' REPORT

Principal risks and uncertainties (continued)

The principal risks associated with the Company are as follows:

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 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 SECRETARY

The present directors and secretary, who have served throughout the year and subsequently are listed on page 1.

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****DIRECTORS' REPORT****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. 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 year. 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 reason stated in Note 1(a), the financial statements have not been prepared on a going concern basis but 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.

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:



K D Pereira
Director
Date: 15 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD CORPORATE FINANCE (6) LIMITED

Opinion

We have audited the financial statements of Lombard Corporate Finance (6) Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 9, 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 Company's affairs as at 31 December 2020 and of its loss 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. 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 1(a) to the financial statements which explains that the directors intend to wind up 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 1(a). 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 contained within the annual report.

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.

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 course of 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 themselves. 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 CORPORATE FINANCE (6) 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 Directors' Report for the financial year 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 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 in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD CORPORATE FINANCE (6) LIMITED

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (Financial Reporting Standard FRS 101 – Reduced Disclosure framework and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom. In addition, the Company is required to comply with laws and regulations relating to its operations, including health and safety, employees, anti-bribery and corruption and General Data Protection Regulation ('GDPR').
- We understood how the Company is complying with those frameworks by making inquiries of management, those charged with governance, internal audit and those responsible for legal and compliance matters. We corroborated our inquiries through review of meeting minutes of the Board and noted that there was no contradictory evidence.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries of those charged with governance and senior management and as a result of our inquiries, management is not aware of any non-compliance with laws and regulations affecting the financial statements. Based upon our inquiries, we are not aware of any instances of non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address the risks identified by the entity and to prevent or detect fraud, including in a remote-working environment; and how management monitors these controls. We identified the risk of material fraud related to management override of controls. We tested the appropriateness of journal entries recorded in the general ledger and evaluated the business rationale for significant and/or unusual transactions. We verified that the journals selected are supported by appropriate source documentation and noted no exceptions from the work we performed.

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.

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.

DocuSigned by:

Ernst & Young LLP

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Robin Enstone (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date:

July 16, 2021 | 1:20:46 BST

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Income from discontinued operations			
Operating income	2	-	24
Operating expenses	3	(5)	(5)
Operating (loss)/profit		(5)	19
Finance income	4	-	1
(Loss)/profit on ordinary activities before tax		(5)	20
Tax credit	5	1	1,382
(Loss)/profit and total comprehensive (loss)/profit for the year		(4)	1,402

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

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****BALANCE SHEET****as at 31 December 2020**

	Notes	2020 £'000	2019 £'000
Current assets			
Cash at bank		1,840	1,852
Prepayments, accrued income and other assets	6	1	-
Total assets		1,841	1,852
Current liabilities			
Current tax liabilities		-	12
Accruals, deferred income and other liabilities	7	27	22
Total liabilities		27	34
Equity			
Share capital	8	-	-
Capital contribution		1,500	1,500
Retained earnings		314	318
Total equity		1,814	1,818
Total liabilities and equity		1,841	1,852

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 15 July 2021 and signed on its behalf by:



K D Pereira
Director

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****STATEMENT OF CHANGES IN EQUITY**
for the year ended 31 December 2020

	Share capital £'000	Capital contribution £'000	Retained earnings £'000	Total £'000
At 1 January 2019	-	1,500	(1,084)	416
Profit for the year	-	-	1,402	1,402
At 31 December 2019	-	1,500	318	1,818
Loss for the year	-	-	(4)	(4)
At 31 December 2020	-	1,500	314	1,814

Total comprehensive loss for the year of £4,000 (2019: profit £1,402,000) 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 other than going concern basis. Under this basis, the assets have been measured at recoverable values and liabilities at settlement/transfer values. All other accounting policies remain unchanged from FRS 101 Reduced Disclosures Framework.

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.

The NatWest Markets 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.

The directors, having regard to their intention to wind up the company within the next 12 months, have prepared the accounts on a basis other than as a going concern. The directors do not consider that this basis affects the measurement of the assets or the liabilities of the Company. The costs of winding up will be borne by NatWest Markets Plc

The directors have considered the impact of Covid-19 on the Company and given the decision to wind up the company 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.

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 IFRS 7 "Financial Instruments: Disclosure" and IFRS 13 "Fair Value Measurement".

Where required, equivalent disclosures are given in the group accounts of NatWest Group plc, these accounts are available to the public and can be obtained as set out in note 9.

The company has entered a dormant status since the year end and will be wound up following termination of the lease. These events did not require the Company to remeasure, reclassify or adjust the settlement date of any assets or liabilities. IAS 1 paragraph 25 "Presentation of Financial Statements" describes the preparation of financial statements in such circumstances as being other than on a going concern basis.

The changes to IFRS that were effective from 1 January 2020 have had no material effect on the Company's financial statements for the year ended 31 December 2020.

b) Revenue recognition

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 return before tax on the net investment. Negative effective interest accruing to financial assets is presented in interest payable.

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****NOTES TO THE FINANCIAL STATEMENTS****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.

2. Operating income

	2020	2019
	£'000	£'000
Management fees	-	24

Management fees for 2019 is a net credit of £24k made up of charge for 2019 of £Nil and release of over accrual from 2017 to 2018 of £24k.

3. Operating expenses

	2020	2019
	£'000	£'000
Audit fee	5	5

4. Finance income

	2020	2019
	£'000	£'000
Interest on loans from group companies	-	1

5. Taxation

	2020	2019
	£'000	£'000
Current taxation:		
UK corporation tax (credit)/charge for the year	(1)	4
Over provision in respect of prior periods	-	(1,386)
Tax credit for the year	(1)	(1,382)

The actual tax charge/(credit) matches with the expected tax charge/(credit) computed by applying the standard rate of UK corporation tax of 19% (2019: 19%) as follows:

	2020	2019
	£'000	£'000
Expected tax (credit)/charge	(1)	4
Adjustments in respect of prior periods (including group relief not paid for)	-	(1,386)
Actual tax credit for the year	(1)	(1,382)

In the current period, the substantively enacted UK Corporation tax rate applicable to the company from 1 April 2020 was increased from 17% to 19%. Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021.

LOMBARD CORPORATE FINANCE (6) LIMITED**03676732****NOTES TO THE FINANCIAL STATEMENTS****6. Prepayments, accrued income and other assets**

	2020	2019
	£'000	£'000
Group relief receivable from group companies	<u>1</u>	<u>-</u>

7. Accruals, deferred income and other liabilities

	2020	2019
	£'000	£'000
Accruals	<u>27</u>	<u>22</u>

8. Share capital

	2020	2019
	£	£
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Equity shares		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

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

9. 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 arms' length basis; they include the payment of taxes including UK corporation tax and value added tax.

Cash at bank relates to amounts with a group bank.

Group companies

As at 31 December 2020

The Company's immediate parent was:	Lombard Corporate Finance (11) Limited
The smallest consolidated accounts including the company were prepared by:	NatWest Markets Plc
The ultimate parent company was:	NatWest Group plc

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