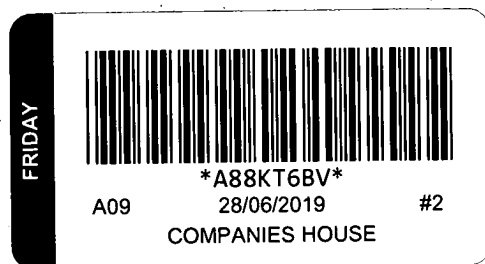


**Company Registered No: 04439290**

**LOMBARD CORPORATE FINANCE (13) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 September 2018**



**CONTENTS**

**Page**

OFFICERS AND PROFESSIONAL ADVISERS

1

DIRECTORS' REPORT

2

INDEPENDENT AUDITOR'S REPORT

5

STATEMENT OF COMPREHENSIVE INCOME

7

BALANCE SHEET

8

STATEMENT OF CHANGES IN EQUITY

9

NOTES TO THE FINANCIAL STATEMENTS

10

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:** S C Lowe  
K D Pereira

**SECRETARY:** RBS Secretarial Services Limited

**REGISTERED OFFICE:** 250 Bishopsgate  
London  
England  
EC2M 4AA

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

**Registered in England and Wales**

**DIRECTORS' REPORT**

The directors of Lombard Corporate Finance (13) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 30 September 2018.

**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 continues to be the holding of an investment in the film partnership, Theobald Film Productions LLP.

**Review of the year*****Business review***

The directors are satisfied with the Company's performance in the year. The Company will be guided by its shareholders in seeking further opportunities for growth. Investment income has decreased in the year as the partnership, Theobald Film Productions LLP, accelerated cash-flows on the finance leases. This was to simplify intragroup deposits and resulted in full settlement of outstanding lease and repayments of associated borrowings. Following this event the lease remains on the balance sheet of the LLP but at nil value and no further rentals are expected.

**Financial performance**

The Company's financial performance is presented in the Statement of Comprehensive Income on page 7. The loss after tax for the year was £4,000 (2017: profit of £17,000) and this was transferred to reserves.

The directors do not recommend the payment of a dividend (2017: £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 currency, maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the Group Asset and Liability Management Committee (GROUP ALCO).

The Company is funded by facilities from P of A Productions Limited. These are denominated in Sterling which is the functional currency and carry no significant financial risk.

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

The principal risks associated with the Company are as follows:

**Interest rate risk**

Structural interest rate risk arises where assets and liabilities have different repricing maturities.

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

**DIRECTORS' REPORT****Principal risks and uncertainties (continued)****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.

**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:

**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**

The directors, having 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 AND SECRETARY**

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

From 1 October 2017 to date the following changes have taken place:

<b>Directors</b>	<b>Appointed</b>	<b>Resigned</b>
E Mayes	-	6 March 2018
D G Harris	-	8 January 2018
S J Roulston	-	8 January 2019
I A Ellis	6 March 2018	8 January 2019
S P Nixon	8 January 2019	26 April 2019
K D Pereira	8 January 2019	-
S C Lowe	26 April 2019	-

**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.

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**

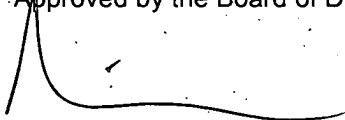
Each of the directors at the date of approval of this report confirms that:

- 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:



S C Lowe  
Director  
Date: 26 June 2019

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD CORPORATE FINANCE (13) LIMITED**

## **Opinion**

We have audited the financial statements of Lombard Corporate Finance (13) Limited ('the Company') for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11, 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 30 September 2018 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 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.

## **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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOMBARD CORPORATE FINANCE (13) LIMITED

## 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 requirements 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.

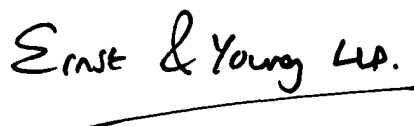
## Auditor's responsibilities for the audit of the financial statements

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.

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.

  
Ernst & Young LLP.

**Robin Enstone** (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol, United Kingdom  
Date: 27<sup>th</sup> June 2019



**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 September 2018

	Notes	2018 £'000	2017 £'000
<b>Income from continuing operations</b>			
Investment income	3	16	138
Operating income/(expenses)	4	1	(8)
<b>Operating profit</b>		<b>17</b>	<b>130</b>
Finance costs	5	(18)	(97)
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(1)</b>	<b>33</b>
Tax charge	6	(3)	(16)
<b>(Loss)/profit and total comprehensive (loss)/income for the year</b>		<b>(4)</b>	<b>17</b>

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

**BALANCE SHEET**  
as at 30 September 2018

	Notes	2018 £'000	2017 £'000
<b>Non-current assets</b>			
Investment in partnership	7	5,613	5,597
<b>Current assets</b>			
Cash at bank		10	59
<b>Total assets</b>		<b>5,623</b>	<b>5,656</b>
<b>Current liabilities</b>			
Borrowings	8	4,630	3,236
Current tax liabilities		10	139
Accruals, deferred income and other liabilities	9	14	17
		<b>4,654</b>	<b>3,392</b>
<b>Non-current liabilities</b>			
Borrowings	8	-	674
Deferred tax liability	6	-	617
		-	<b>1,291</b>
<b>Total liabilities</b>		<b>4,654</b>	<b>4,683</b>
<b>Equity</b>			
Called up share capital	10	-	-
Profit and loss account		969	973
<b>Total equity</b>		<b>969</b>	<b>973</b>
<b>Total liabilities and equity</b>		<b>5,623</b>	<b>5,656</b>

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

The financial statements were approved by the Board of Directors on 26 June 2019 and signed on its behalf by:



S C Lowe  
Director

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 September 2018

	Share capital £'000	Profit and loss account £'000	Total £'000
<b>At 1 October 2016</b>	-	956	956
Profit for the year	-	17	17
<b>At 30 September 2017</b>	-	973	973
Loss for the year	-	(4)	(4)
<b>At 30 September 2018</b>	-	<b>969</b>	<b>969</b>

Total comprehensive loss for the year of £4,000 (2017: profit of £17,000) 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 has adopted all of the amendments to FRS 101 as a result of the Triennial review 2017 amendments with effect from 1st January 2018.

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. The Company's 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 The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 12.

The changes to IFRS that were effective from 1 October 2017 have had no material effect on the Company's Financial Statements for the year ended 30 September 2018.

**b) Investments in partnership**

The results and assets and liabilities of partnerships are incorporated in these financial statements using the equity method of accounting.

Under the equity method, investments in partnerships are initially recorded at cost and adjusted thereafter for the post acquisition change in the partner's share of net assets of the partnership, less any impairments in the value of individual partnerships. The partners' share has been measured according to the terms of the partnership agreement governing the arrangement.

The profit and loss account reflects the partner's share of the profits or losses of the partnership. According to the partnership agreement for Theobald Film Productions LLP, the Company is entitled to a 10% share of profits or losses of the partnership. These amounts are taken from the latest audited financial statements and the management accounts of the partnership concerned.

**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) 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 (see accounting policy 1(b)) less any impairment losses.

**e) 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 held-to-maturity, available-for-sale or 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.

**f) Financial liabilities**

On initial recognition financial liabilities are classified at amortised cost.

**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 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.

**Investment in partnership**

Management judgement is required in the valuation of the investment in the partnership using the latest financial information available from the partnership, including the partnerships own accounting policies, assumptions and estimates in determining the appropriate valuations, recognition of income and in assessing any need for impairment.

**3. Investment income**

	2018	2017
	£'000	£'000
Investment income	16	138

## NOTES TO THE FINANCIAL STATEMENTS

## 4. Operating expenses

	2018 £'000	2017 £'000
Audit fees	5	8
Audit fees accrual reversal	(6)	-
	<u>(1)</u>	<u>8</u>

Credit in 2018 due to £6,000 release of over accrual from 2016 and 2017 audit fees, partially offset by current year charge of £5,000.

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. There are no other staff.

## 5. Finance costs

	2018 £'000	2017 £'000
Interest on loans from group companies	<u>18</u>	<u>97</u>

## 6. Tax

	2018 £'000	2017 £'000
<b>Current tax:</b>		
UK corporation tax charge for the year	498	197
Under provision in respect of prior periods	122	4
	<u>620</u>	<u>201</u>
<b>Deferred tax:</b>		
Credit for the year	(498)	(181)
Over provision in respect of prior periods	(119)	(4)
	<u>(617)</u>	<u>(185)</u>
Tax charge for the year	<u>3</u>	<u>16</u>

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

The actual tax charge differs with the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2017: blended rate of 19.5%).

	2018 £'000	2017 £'000
Expected tax charge	-	6
Adjustments in respect of prior periods	3	-
Impact of rate change	-	10
Tax charge for the year	<u>3</u>	<u>16</u>

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 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

NOTES TO THE FINANCIAL STATEMENTS

6. Tax (continued)

Deferred tax

Deferred tax liability comprises:

	Partnership results £'000
<b>At 1 October 2016</b>	802
Credit to profit and loss	(185)
<b>At 30 September 2017</b>	617
Credit to profit and loss	(617)
<b>At 30 September 2018</b>	-

7. Investment in partnership

	2018 £'000	2017 £'000
Investment in partnership	5,613	5,597

On 30 July 2005 the Company invested £10,413,000 capital in Theobald Film Productions Limited Liability Partnership, a film production business registered in England and Wales whose financial year end is 28 June. This equals 10% share in the LLP, which was acquired for £10.

8. Borrowings

	2018 £'000	2017 £'000
Loans from fellow subsidiary	2,278	3,910
Loans from Theobald Film Productions LLP	2,352	-
Current – on demand or within one year	4,630	3,236
Non-current:		
- between one and two years	-	674
	-	674

The Company has no unsecured borrowing from group companies greater than five years (2017: £nil).

9. Accruals, deferred income and other liabilities

	2018 £'000	2017 £'000
Accruals	14	17

10. Share capital

	2018 £	2017 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity shares		
2 Ordinary shares of £1 each	2	2

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

NOTES TO THE FINANCIAL STATEMENTS

11. 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 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.

**Group companies**

As at 30 September 2018

The Company's immediate parent was:	P of A Productions Limited
The smallest consolidated accounts including the company were prepared at 31 December 2018 by:	NatWest Markets plc
The ultimate parent company was:	The Royal Bank of Scotland Group plc

On 29th April 2018 The Royal Bank of Scotland plc changed its name to NatWest Markets 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.