Form 10-QSB

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the quarterly period ended June 30, 2004

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the transition period from _______ to _______

Commission File Number 000-28368

ATEL Cash Distribution Fund VI, L.P.
(Exact name of registrant as specified in its charter)

California	**94-3207229**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

600 California Street, 6th Floor, San Francisco, California 94108-2733
(Address of principal executive offices)

Registrant's telephone number, including area code: (415) 989-8800

Securities registered pursuant to section 12(b) of the Act: None
Securities registered pursuant to section 12(g) of the Act: Limited Partnership Units

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State issuer's revenues for its most recent fiscal year: $7,642,647

The number of Limited Partnership Units outstanding as of June 30, 2004 was 12,490,076.

DOCUMENTS INCORPORATED BY REFERENCE

None

ATEL CASH DISTRIBUTION FUND VI, L.P.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited).

ATEL CASH DISTRIBUTION FUND VI, L.P.

BALANCE SHEET

JUNE 30, 2004
(Unaudited)

ASSETS

Cash and cash equivalents	$ 3,547,546
Accounts receivable, net of allowance for doubtful accounts of $300,000	535,794
Investments in leases	19,025,848
Total assets	$23,109,188

LIABILITIES AND PARTNERS' CAPITAL

Non-recourse debt	$ 327,812
Accounts payable:	
General Partner	
Other	334,057
Accrued interest payable	3,155
Unearned operating lease income	96,131
Total liabilities	761,155
Partners' capital:	
General Partner	-
Limited Partners	22,348,033
Total partners' capital	22,348,033
Total liabilities and partners' capital	$23,109,188

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF OPERATIONS

SIX AND THREE MONTH PERIODS ENDED
JUNE 30, 2004 AND 2003
(Unaudited)

	Six Months Ended June 30,		Three Months Ended June 30,	
Revenues:	2004	2003	2004	2003
Leasing activities:				
Operating leases	$ 2,373,360	$ 3,946,146	$ 1,139,644	$ 1,509,248
Direct financing leases	626,687	415,085	305,607	202,422
(Loss) gain on sales of assets	(284,704)	556,699	(392,480)	628,682
Interest	6,197	2,090	4,048	1,024
Other	100,160	22,751	(3,097)	8,921
	2,821,700	4,942,771	1,053,722	2,350,297
Expenses:				
Depreciation of operating leases	1,488,399	1,907,182	828,678	922,136
Impairment losses	1,238,137	-	-	-
Cost reimbursements to General Partner	282,169	386,670	127,886	214,923
Railcar maintenance	204,974	190,755	136,370	128,164
Other management fees	100,592	61,350	42,639	44,270
Equipment and incentive management fees to General partner	80,733	262,330	34,442	77,766
Professional fees	56,844	58,692	31,502	33,532
Interest expense	35,125	226,708	7,860	43,580
Franchise fees and state taxes	22,390	258,961	22,390	258,961
Outside services	15,345	47,041	7,170	3,662
Amortization of initial direct costs	14,993	19,933	7,497	8,441
Provision for (recovery of) doubtful accounts	2,076	(417,099)	16,076	(50,000)
Other	84,298	108,504	46,180	40,993
	3,626,075	3,111,027	1,308,690	1,726,428
Net (loss) income	$ (804,375)	$ 1,831,744	$ (254,968)	$ 623,869
Net (loss) income:				
General Partner	$ 5,855	$ 46,866	$ -	$ -
Limited Partners	(810,230)	1,784,878	(254,968)	623,869
	$ (804,375)	$ 1,831,744	$ (254,968)	$ 623,869
Net (loss) income per Limited Partnership Unit	$ (0.06)	$ 0.14	$ (0.02)	$ 0.05
Weighted average number of Units outstanding	12,490,076	12,490,076	12,490,076	12,490,076

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2003
AND FOR THE SIX MONTH PERIOD
ENDED JUNE 30, 2004
(Unaudited)

	Limited Partners		General	
	Units	Amount	Partner	Total
Balance December 31, 2002	12,490,076	$ 23,607,548	$ -	$23,607,548
Distributions to Limited Partners	-	(1,363,253)	-	(1,363,253)
Distributions to General Partner	-	-	(46,866)	(46,866)
Net income	-	1,538,968	46,866	1,585,834
Balance December 31, 2003	12,490,076	23,783,263	-	23,783,263
Distributions to Limited Partners	-	(625,000)	-	(625,000)
Distributions to General Partner		-	(5,855)	(5,855)
Net (loss) income	-	(810,230)	5,855	(804,375)
Balance June 30, 2004	12,490,076	$ 22,348,033	$ -	$22,348,033

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF CASH FLOWS

SIX AND THREE MONTH PERIODS ENDED
JUNE 30, 2004 AND 2003
(Unaudited)

	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003
Operating activities:				
Net (loss) income:	$ (804,375)	$ 1,831,744	$ (254,968)	$ 623,869
Adjustment to reconcile net (loss) income to cash provided by operating activities:				
Depreciation of operating leases	1,488,399	1,907,182	828,678	922,136
Impairment losses	1,238,137	-	-	-
Amortization of initial direct costs	14,993	19,933	7,497	8,441
Loss (gain) on sales of assets	284,704	(556,699)	392,480	(628,682)
Provision for (recovery of) doubtful accounts	2,076	(417,099)	16,076	(50,000)
Changes in operating assets and liabilities:				
Accounts receivable	166,600	(622,169)	(17,751)	93,877
Accounts payable, General Partner	(67,438)	54,576	(89,488)	(80,031)
Accounts payable, other	(289,476)	(173,951)	90,003	(451,560)
Accrued interest payable	(901)	130,419	(355)	(173)
Unearned lease income	(13,106)	143,646	(14,990)	977
Net cash provided by operating activities	2,019,613	2,317,582	957,182	438,854
Investing activities:				
Proceeds from sales of assets	803,329	1,086,800	321,190	984,676
Reduction of net investment in direct financing leases	185,761	157,731	(136,818)	(153,264)
Net cash provided by investing activities	989,090	1,244,531	184,372	831,412

ATEL CASH DISTRIBUTION FUND VI, L.P.

STATEMENTS OF CASH FLOWS

SIX AND THREE MONTH PERIODS ENDED
JUNE 30, 2004 AND 2003
(Unaudited)
(Continued)

	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003
Financing activities:				
Distributions to Limited Partners	(625,000)	(1,363,253)	-	399
Distributions to General Partner	(5,855)	(46,866)	-	-
Repayments of non-recourse debt	(495,265)	(107,682)	(202,578)	(49,516)
Repayments of borrowings under line of credit	-	(1,100,000)	-	(600,000)
Net cash used in financing activities	(1,126,120)	(2,617,801)	(202,578)	(649,117)
Net increase in cash and cash equivalents	1,882,583	944,312	938,976	621,149
Cash and cash equivalents at beginning of period	1,664,963	861,707	2,608,570	1,184,870
Cash and cash equivalents at end of period	$ 3,547,546	$ 1,806,019	$ 3,547,546	$ 1,806,019
Supplemental disclosures of cash flow information				
Cash paid during the period for interest	$ 36,026	$ 96,289	$ 8,215	$ 43,753
Supplemental disclosure of non-cash transactions:				
Offset of accounts receivable and debt service per lease and debt agreement:				
Accrued interest payable	$ -	$ (523,034)	$ -	$ -
Non-recourse debt	-	(4,276,966)	-	-
Accounts receivable	$ -	$ (4,800,000)	$ -	$ -

See accompanying notes.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004
(Unaudited)

1. Summary of significant accounting policies:

Basis of presentation:

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with instructions to Form 10-QSB and Article 10 of Regulation S-X. The unaudited interim financial statements reflect all adjustments which are, in the opinion of the General Partner, necessary to a fair statement of financial position and results of operations for the interim periods presented. All such adjustments are of a normal recurring nature. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that effect reported amounts in the financial statements and accompanying notes. Therefore, actual results could differ from those estimates. Operating results for the six months ended June 30, 2004 are not necessarily indicative of the results for the year ending December 31, 2004.

These unaudited interim financial statements should be read in conjunction with the financial statements and notes thereto contained in the report on Form 10-K for the year ended December 31, 2003, filed with the Securities and Exchange Commission.

2. Organization and partnership matters:

ATEL Cash Distribution Fund VI, L.P. (the Partnership), was formed under the laws of the State of California on June 29, 1994, for the purpose of acquiring equipment to engage in equipment leasing and sales activities. The Partnership may continue until December 31, 2015.

Upon the sale of the minimum amount of Units of Limited Partnership interest (Units) of $1,200,000 and the receipt of the proceeds thereof on January 3, 1995, the Partnership commenced operations.

The Partnership does not make a provision for income taxes since all income and losses will be allocated to the Partners for inclusion in their individual tax returns.

ATEL Financial Services, LLC (AFS), an affiliated entity, acts as the General Partner of the Partnership.

Certain prior year balances have been reclassified to conform to the current period presentation.

The Partnership is in its liquidation phase and is making distributions on an annual basis.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004
(Unaudited)

3. Investment in leases:

The Partnership's investment in leases consists of the following:

	Balance December 31, 2003	Impairment Losses	Depreciation / Amortization Expense or Amortization of Direct Financing Leases	Reclassi-fications and Dispositions	Balance June 30, 2004
Net investment in operating leases	$ 17,825,610		$ (1,488,399)	$ (1,389,269)	$14,947,942
Net investment in direct financing leases	3,747,575	-	(185,761)	312,498	3,874,312
Assets held for sale or lease, net of accumulated depreciation of $4,950,019 in 2004 and $4,893,039 in 2003	1,373,856	(1,238,137)	-	22,897	158,616
Residual interests	34,159	-	-	(34,159)	-
Initial direct costs, net of accumulated amortization of $396,040 in 2004 and $407,188 in 2003	59,971	-	(14,993)	-	44,978
	$ 23,041,171	$ (1,238,137)	$ (1,689,153)	$ (1,088,033)	$19,025,848

Management periodically reviews the carrying values of its assets on leases and assets held for lease or sale. As a result of that review, management determined that the value of a fleet of certain refuse and other vehicles and computer equipment had declined in value to the extent that the carrying values had become impaired. This decline is the result of decreased long-term demand for these types of assets and a corresponding reduction in the amounts of rental payments that these assets currently command. Management recorded a provision for the decline in value of those assets in the amount of $1,238,137 for the three months ended March 31, 2004.

Impairment losses are recorded as an addition to accumulated depreciation of the impaired assets. Depreciation expense and impairment losses on property subject to operating leases and assets held for lease or sale consist of the following for the three and six month periods ended June 30:

	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003
Depreciation of operating lease assets	$ 1,488,399	$ 1,907,182	$ 828,678	$ 922,136
Impairment losses	1,238,137	-	-	-
	$ 2,726,536	$ 1,907,182	$ 828,678	$ 922,136

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004
(Unaudited)

3. Investment in leases (continued):

Net investment in operating leases:

Property on operating leases consists of the following:

	Balance December 31, 2003	Depreciation Expense	Reclassi-fications and Dispositions	Balance June 30, 2004
Transportation	$ 39,768,030	$ -	$ (3,642,301)	$36,125,729
Construction	11,328,744	-	(11,240,097)	88,647
Materials handling	6,127,982	-	(521,991)	5,605,991
Office automation	828,914	-	(24,658)	804,256
Other	366,203	-	-	366,203
	58,419,873	-	(15,429,047)	42,990,826
Less accumulated depreciation	(40,594,263)	(1,488,399)	14,039,778	(28,042,884)
	$ 17,825,610	$ (1,488,399)	$ (1,389,269)	$14,947,942

Net investment in direct financing leases:

As of June 30, 2004, net investment in direct financing leases consists of railroad locomotives and ground support equipment. The following lists the components of the Company's net investment in direct financing leases as of June 30, 2004:

Total minimum lease payments receivable	$ 4,267,756
Estimated residual values of leased equipment (unguaranteed)	151,631
Investment in direct financing leases	4,419,387
Less unearned income	(545,075)
Net investment in direct financing leases	$ 3,874,312

At June 30, 2004, the aggregate amounts of future minimum lease payments are as follows:

	Operating Leases	Direct Financing Leases	Total
Six months ending December 31, 2004	$ 752,927	$ 3,683,475	$ 4,436,402
Year ending December 31, 2005	766,408	386,761	1,153,169
2006	448,320	98,760	547,080
2007	26,970	98,760	125,730
	$ 1,994,625	$ 4,267,756	$ 6,262,381

All of the property on leases was acquired in 1995, 1996 and 1997.

4. Non-recourse debt:

Notes payable to financial institutions are due in varying monthly, quarterly and semi-annual installments of principal and interest. The notes are secured by assignments of lease payments and pledges of the assets which were purchased with the proceeds of the particular notes. Interest rates on the notes vary from 8.37% to 8.64%.

Future minimum principal payments of non-recourse debt are as follows:

	Principal	Interest	Total
Six months ending December 31, 2004	$ 66,603	$ 12,298	$ 78,901
Year ending December 31, 2005	79,916	18,844	98,760
2006	86,868	11,892	98,760
2007	94,425	4,336	98,761
	$ 327,812	$ 47,370	$ 375,182

5. Related party transactions:

The terms of the Limited Partnership Agreement provide that AFS and/or affiliates are entitled to receive certain fees for equipment acquisition, management and resale and for management of the Partnership.

The Limited Partnership Agreement allows for the reimbursement of costs incurred by AFS in providing services to the Partnership. Services provided include Partnership accounting, investor relations, legal counsel and lease and equipment documentation. AFS is not reimbursed for services where it is entitled to receive a separate fee as compensation for such services, such as acquisition and management of equipment. Reimbursable costs incurred by AFS are allocated to the Partnership based upon an estimate of actual time incurred by employees working on Partnership business and an allocation of rent and other costs based on utilization studies.

Substantially all employees of AFS incurred time in performing services on behalf of all of the Partnerships serviced by AFS. AFS believes that the costs reimbursed are the lower of (i) actual costs incurred on behalf of the Partnership or (ii) the amount the Partnership would be required to pay independent parties for comparable services in the same geographic location and are reimbursable in accordance with the Limited Partnership Agreement.

AFS is entitled to receive incentive management fees (computed as 3.25% of distributions of cash from operations, as defined in the Limited Partnership Agreement) and equipment management fees (computed as 3.5% of gross revenues from operating leases, as defined in the Limited Partnership Agreement plus 2% of gross revenues from full payout leases, as defined in the Limited Partnership Agreement).

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004
(Unaudited)

5. Related party transactions (continued):

During the three and six month periods ended June 30, 2004 and 2003, AFS and/or affiliates earned fees, commissions and reimbursements, pursuant to the Limited Partnership Agreement, as follows:

	Six Months Ended June 30,		Three Months Ended June 30,	
	2004	2003	2004	2003
Cost reimbursements to AFS	$ 282,169	$ 386,670	$ 127,886	$ 214,923
Incentive and equipment management fees to AFS	80,733	262,330	34,442	77,766
	$ 362,902	$ 649,000	$ 162,328	$ 292,689

6. Line of credit:

The Partnership participates with AFS and certain of its affiliates in a $61,945,455 revolving line of credit (comprised of an acquisition facility and a warehouse facility) with a financial institution that includes certain financial covenants. During the quarter ended March 31, 2004, the facility was extended for an additional year. At the same time, the total available under the facility was increased. The line of credit expires on June 28, 2005. As of June 30, 2004, borrowings under the facility were as follows:

Amount borrowed by the Partnership under the acquisition facility	$ -
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	18,000,000
Total borrowings under the acquisition facility	18,000,000
Amounts borrowed by AFS and its sister corporation under the warehouse facility	-
Total outstanding balance	$18,000,000
Total available under the line of credit	$61,945,455
Total outstanding balance	(18,000,000)
Remaining availability	$43,945,455

Draws on the acquisition facility by any individual borrower are secured only by that borrower's assets, including equipment and related leases. Borrowings on the warehouse facility are recourse jointly to certain of the affiliated partnerships and limited liability companies, the Partnership and AFS.

The credit agreement includes certain financial covenants applicable to each borrower. The Partnership was in compliance with its covenants as of June 30, 2004.

ATEL CASH DISTRIBUTION FUND VI, L.P.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004
(Unaudited)

7. Partners' Capital:

As of June 30, 2004, 12,490,076 Units ($124,907,600) were issued and outstanding (including the 50 Units issued to the Initial Limited Partners).

The Partnership's Net Income, Net Losses, and Distributions, as defined, are to be allocated 99% to the Limited Partners and 1% to the General Partner.

Distributions to the Limited Partners were as follows:

	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003
Distributions	$ 625,000	$ 1,363,253	$ -	$ (399)
Weighted average number of Units outstanding	12,490,076	12,490,076	12,490,076	12,490,076
Weighted average distributions per Unit	$ 0.05	$ 0.11	$ -	$ (0.00)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements contained in this Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Form 10-Q, which are not historical facts, may be forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Investors are cautioned not to attribute undue certainty to these forward-looking statements, which speak only as of the date of this Form 10-Q. We undertake no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-Q or to reflect the occurrence of unanticipated events, other than as required by law.

Capital Resources and Liquidity

During the first half of 2004 and 2003, the Partnership's primary activity was engaging in equipment leasing activities. During this same period in 2004 and 2003, the Partnership's primary source of liquidity was rents from operating leases.

The liquidity of the Partnership will vary in the future, increasing to the extent cash flows from leases exceed expenses, and decreasing as lease assets are acquired, as distributions are made to the limited partners and to the extent expenses exceed cash flows from leases.

As another source of liquidity, the Partnership has contractual obligations with a diversified group of lessees for fixed lease terms at fixed rental amounts. As the initial lease terms expire, the Partnership will re-lease or sell the equipment. The future liquidity beyond the contractual minimum rentals will depend on the General Partner's success in re-leasing or selling the equipment as it comes off lease.

The Partnership participates with AFS and certain of its affiliates in a $61,945,455 revolving line of credit (comprised of an acquisition facility and a warehouse facility) with a financial institution that includes certain financial covenants. During the quarter ended March 31, 2004, the facility was extended for an additional year. At the same time, the total available under the facility was increased. The line of credit expires on June 28, 2005. As of June 30, 2004, borrowings under the facility were as follows:

Amount borrowed by the Partnership under the acquisition facility	$ -
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	18,000,000
Total borrowings under the acquisition facility	18,000,000
Amounts borrowed by the General Partner and its sister corporation under the warehouse facility	-
Total outstanding balance	$18,000,000
Total available under the line of credit	$61,945,455
Total outstanding balance	(18,000,000)
Remaining availability	$43,945,455

Draws on the acquisition facility by any individual borrower are secured only by that borrower's assets, including equipment and related leases. Borrowings on the warehouse facility are recourse jointly to certain of the affiliated partnerships and limited liability companies, the Partnership and the General Partner.

The Partnership currently has available adequate reserves to meet contingencies, but in the event those reserves were found to be inadequate, the Partnership would likely be in a position to borrow against its current portfolio to meet such requirements. The General Partner envisions no such requirements for operating purposes.

Through June 30, 2004, the Partnership had cumulatively borrowed $101,227,460 on a non-recourse basis. As of that date, $327,812 remained outstanding. The General Partner expects that aggregate borrowings in the future will not exceed 50% of aggregate equipment cost. In any event, the Agreement of Limited Partnership limits such borrowings to 50% of the total cost of equipment, in aggregate.

If inflation in the general economy becomes significant, it may affect the Partnership inasmuch as the residual (resale) values and rates on re-leases of the Partnership's leased assets may increase as the costs of similar assets increase. However, the Partnership's revenues from existing leases would not increase, as such rates are generally fixed for the terms of the leases without adjustment for inflation.

If interest rates increase significantly, the lease rates that the Partnership can obtain on future leases will be expected to increase as the cost of capital is a significant factor in the pricing of lease financing. Leases already in place, for the most part, would not be affected by changes in interest rates.

Cash Flows

During the six and three month periods ending June 30 of 2004 and 2003, the Partnership's primary source of cash from operating activities was rents from operating leases. Cash from operating activities was almost entirely from operating lease rents in both periods in both years.

Proceeds from the sales of assets and direct financing lease rents accounted for as reductions of the Partnership's net investment in direct financing leases were the only investing sources of cash during the three and six month periods ended June 30, 2004 and 2003. Proceeds from sales of lease assets decreased from $984,676 for the three months ended June 30, 2003 to $321,190 during the three months ended June 30, 2004, and from $1,086,800 for the six months ending June 30, 2003 to $803,329 for the comparable period ending June 30, 2004. Proceeds from sales of lease assets are not expected to be consistent from one period to another. Asset sales are made as leases expire, as purchasers can be found and as the sales can be negotiated and completed. Assets sold in 2004 consisted primarily of construction and materials handling equipment and various types of vehicles. Cash flows from direct finance leases increased from $157,731 for the six month period ended June 30, 2003 to $185,761 for the comparable period in 2004. This was due to the reclassification of certain operating lease assets to a direct finance lease.

During the three and six month periods ended June 30, 2004 and 2003, the single largest financing use of cash was distributions to limited partners. The amount of such distributions decreased during the six months ended June 30, 2004 because of a change in the per Unit distribution rate. Distributions are determined annually by AFS based on amounts of cash available after taking into consideration the amounts that will be required for operations. In 2003 there was an additional non-recourse borrowing of $706,055. The increased debt has led to the noted increase in repayments during the six and three month periods ended June 30, 2004 compared to the comparable periods in 2003.

Under the terms of a wrap lease and the related non-recourse debt agreement the annual lease payments are offset against the annual debt service payment. The agreement is structured so that the amounts of the two payments are equal to each other in each year of the agreement. A right of offset was established as a part of the agreement. The debt associated with the wrap lease was paid off in 2003.

The line of credit was paid off in 2003. There were no borrowings or repayments in 2004.

Results of operations

Operations resulted in a net loss of $254,968 during the three months ended June 30, 2004 compared to net income of $623,869 during the three months ended June 30, 2003 . Net loss for the six months ended June 30, 2004 was $804,375 compared with net income of $1,831,744 for the comparable period in 2003. The Partnership's primary source of revenues was from operating leases in both years. Depreciation of operating lease assets decreased for the six month periods from $1,907,182 in 2003 to $1,488,399 in 2004 and for the three month periods from $922,136 in 2003 to $828,678 in 2004. Operating lease revenues and depreciation have declined as a result of lease maturities and sales of the underlying lease assets over the last year.

During the first half of 2003, a portion of the accounts receivable which had been reserved as of December 31, 2002, were collected. As a result, a portion of the amounts previously recorded as an allowance for doubtful accounts was recorded as a recovery of provisions for doubtful accounts. There were no similar significant recoveries in the first half of 2004.

Sales of assets during the six month period ended June 30, 2004 resulted in a loss of $284,704 compared to a gain of $556,699 during the comparable period in 2003. Sales of assets during the three month period ended June 30, 2004 resulted in a loss of $392,480 compared to a gain of $628,682 in the comparable period of 2003. The amounts of such gains and losses are not expected to be consistent from one period to another.

Interest expense has decreased from $226,708 during the six months ended June 30, 2003 to $35,125 during the six months ended June 30, 2004. Interest expense has decreased from $43,580 during the three months ended June 30, 2003 to $7,860 during the three months ended June 30, 2004. These decreases were due to scheduled payments on the Partnership's non-recourse debt and due to reductions of the amounts borrowed under the line of credit.

Management fees paid to AFS have decreased from $262,330 in 2003 to $80,733 in 2004 (six months) and from $77,766 in 2003 to $34,442 in 2004 (three months). Equipment management fees are based on the gross rentals of the Partnership and decreased from $200,777 for the six months ended June 30, 2003 to $80,733 for the six months ended June 30, 2004. For the three month periods ended June 30, 2003 and 2004, respectively, equipment management fees decreased from $46,989 to $34,442. Incentive management fees are based on the amounts of cash distributions to the Limited Partners from current year operations. In 2004, the only distribution to the Limited Partners was made in January 2004 based on 2003 operations. As a result, incentive management fees decreased from $61,553 (six months) and $30,777 (three months) in 2003 to zero in 2004.

Management periodically reviews the carrying values of its assets on leases and assets held for lease or sale. As a result of the review during the three months ended March 31, 2004, management determined that the value of certain refuse and other vehicles and computer equipment had declined in value to the extent that the carrying values had become impaired. This decline is the result of decreased long-term demand for these types of assets and a corresponding reduction in the amounts of rental payments that these assets currently command. Management recorded a provision for the decline in value of those assets in the amount of $1,238,137 for the three months ended March 31, 2004.

Item 3. Quantitative and Qualitative Disclosures of Market Risk.

The Partnership, like most other companies, is exposed to certain market risks, including primarily changes in interest rates. The Partnership believes its exposure to other market risks including foreign currency exchange rate risk, commodity risk and equity price risk are insignificant to both its financial position and results of operations.

In general, the Partnership manages its exposure to interest rate risk by obtaining fixed rate debt. The fixed rate debt is structured so as to match the cash flows required to service the debt to the payment streams under fixed rate lease receivables. The payments under the leases are assigned to the lenders in satisfaction of the debt. Furthermore, the Partnership has historically been able to maintain a stable spread between its cost of funds and lease yields in both periods of rising and falling rates. Nevertheless, the Partnership frequently funds leases with its floating rate line of credit and is, therefore, exposed to interest rate risk until fixed rate financing is arranged, or the floating rate line of credit is repaid. As of June 30, 2004, there was no balance outstanding on the floating rate line of credit.

To hedge its interest rate risk related to this variable rate debt, the Partnership may enter into interest rate swaps. As of June 30, 2004, no swaps or other derivative financial instruments were held by the Partnership. The Partnership does not hold or issue derivative financial instruments for speculative purposes.

Item 4. Controls and procedures.

Evaluation of disclosure controls and procedures

Under the supervision and with the participation of our management (ATEL Financial Services, LLC as General Partner of the registrant, including the chief executive officer and chief financial officer), an evaluation of the effectiveness of the design and operation of the Partnership's disclosure controls and procedures [as defined in Rules 240.13a-14(c) under the Securities Exchange Act of 1934] was performed as of the date of this report. Based upon this evaluation, the chief executive officer and the chief financial officer concluded that, as of the evaluation date, except as noted below, our disclosure controls and procedures were effective for the purposes of recording, processing, summarizing, and timely reporting information required to be disclosed by us in the reports that we file under the Securities Exchange Act of 1934; and that such information is accumulated and communicated to our management in order to allow timely decisions regarding required disclosure.

As disclosed in the Form 10-K for the year ended December 31, 2003, the chief executive and chief financial officer of the General Partner of the Partnership had identified certain enhanced controls needed to facilitate a more effective closing of the Partnership's financial statements. During the first quarter of 2004 and since the end of the quarter, the General Partner hired a new controller, added additional accounting staff personnel, and has instituted or revised existing procedures in order to ensure that the Partnership's ability to execute internal controls in accounting and reconciliation in the closing process is adequate in all respects. The General Partner will continue to review its accounting procedures and practices to determine their effectiveness and adequacy and will take such steps as deemed necessary in the opinion of the General Partner's chief executive and chief financial officers to ensure the adequacy of the Partnership's accounting controls and procedures.

The General Partner's chief executive officer and chief financial officer have determined that no weakness in financial and accounting controls and procedures had any material effect on the accuracy and completeness of the Partnership's financial reporting and disclosure included in this report.

Changes in internal controls

There have been no significant changes in our internal controls or in other factors that could significantly affect our disclosure controls and procedures subsequent to the evaluation date nor were there any significant deficiencies or material weaknesses in our internal controls, except as described in the prior paragraphs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

In the ordinary course of conducting business, there may be certain claims, suits, and complaints filed against the Partnership. In the opinion of management, the outcome of such matters, if any, will not have a material impact on the Partnership's financial position or results of operations. No material legal proceedings are currently pending against the Partnership or against any of its assets.

Item 2. Changes in Securities and Use of Proceeds

Inapplicable.

Item 3. Defaults Upon Senior Securities.

Inapplicable.

Item 4. Submission Of Matters To A Vote Of Security Holders.

Inapplicable.

Item 5. Other Information.

Inapplicable.

Item 6. Exhibits And Reports On Form 8-K.

(a) Documents filed as a part of this report

1. Financial Statement Schedules

   All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

2. Other Exhibits

   31.1 Certification of Paritosh K. Choksi
   31.2 Certification of Dean L. Cash
   32.1 Certification Pursuant to 18 U.S.C. section 1350 of Dean L. Cash
   32.2 Certification Pursuant to 18 U.S.C. section 1350 of Paritosh K. Choksi

(b) Report on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date:
August 11, 2004

ATEL CASH DISTRIBUTION FUND VI, L.P.
(Registrant)

By: ATEL Financial Corporation
General Partner of Registrant

By: /s/ Dean L. Cash
Dean L. Cash
President and Chief Executive Officer
of General Partner

By: /s/ Paritosh K. Choksi
Paritosh K. Choksi
Principal Financial Officer
of Registrant

By: /s/ Donald E. Carpenter
Donald E. Carpenter
Principal Accounting
Officer of Registrant

Exhibit 31.1

CERTIFICATIONS

I, Paritosh K. Choksi, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of ATEL Cash Distribution Fund VI, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within the entity, particularly during the period in which this report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 11, 2004

/s/ Paritosh K. Choksi

Paritosh K. Choksi
Principal Financial Officer of Registrant, Executive
Vice President of General Partner

Exhibit 31.2

CERTIFICATIONS

I, Dean L. Cash, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of ATEL Cash Distribution Fund VI, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within the entity, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 11, 2004

/s/ Dean L. Cash

Dean L. Cash
President and Chief Executive
Officer of General Partner

Exhibit 32.1

CERTIFICATION

I, Dean L. Cash, Chief Executive Officer of ATEL Financial Services, LLC, General Partner of ATEL Cash Distribution Fund VI, L.P. (the “Partnership”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-QSB of the Partnership for the quarter ended June 30, 2004 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 11, 2004

/s/ Dean L. Cash
Dean L. Cash
President and Chief Executive
Officer of General Partner

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION

I, Paritosh K. Choksi, Executive Vice President of ATEL Financial Services, LLC, General Partner of ATEL Cash Distribution Fund VI, L.P. (the “Partnership”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-QSB of the Partnership for the quarter ended June 30, 2004 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 11, 2004

/s/ Paritosh K. Choksi
Paritosh K. Choksi
Executive Vice President of General
Partner, Principal Financial Officer of Registrant

A signed original of this written statement required by Section 906 has been provided to the Partnership and will be retained by the Partnership and furnished to the Securities and Exchange Commission or its staff upon request.