

Lex Autolease (CH) Limited

Annual report and financial statements for the year ended 30 June 2020

Registered office

25 Gresham Street
London
EC2V 7HN

Registered number

02528691

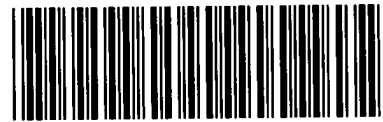
Current directors

S J Caddick
A J Hartley
R A Jones

Company Secretary

Lloyds Secretaries Limited

THURSDAY



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COMPANIES HOUSE

Member of Lloyds Banking Group

Directors' report

For the year ended 30 June 2020

The directors present their report and the audited financial statements of Lex Autolease (CH) Limited ("the Company") for the year ended 30 June 2020.

General information

The Company is a limited company incorporated and domiciled in England and Wales (registered number: 02528691).

During the prior year, being the year ended 30 June 2019, the Company did not trade or incur any liabilities and consequently made neither profit nor loss.

During October 2019 the Company paid a dividend to ACL Autolease Holdings Limited. This was the only accounting transaction during the current year.

Principal risks and uncertainties

As the Company is not trading and given the nature of the Company's position at the year end, the directors do not consider that there are any risks or uncertainties which affect the Company.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The Company sits within the Retail Division, which is part of the Lloyds Banking Group. KPIs are monitored and reported at a divisional level.

Dividends

A dividend of £71,415,000, representing a dividend of £71,415 per share, was declared and paid during the year (2019: £nil).

Going concern

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

Directors

The current directors of the Company are shown on the front cover.

The following change has taken place between the beginning of the reporting period and the approval of the Annual report and financial statements:

S J Caddick	(appointed 18 March 2020)
C A Parkes	(resigned 26 February 2020)

Future outlook

The Company is expected to be dormant going forward.

On 30 January 2020, the World Health Organisation declared Covid-19 to be a public health emergency and a pandemic on 11 March 2020. Given the circumstances and information that was available as at 30 June 2020, the resulting impact of Covid-19 has been assessed by the directors to be a non-adjusting event. The directors have considered the actual and potential impacts of Covid-19 and the UK government's responses to the pandemic on the activities of the Company and concluded that there will be no impact for the Company.

Directors' indemnities

Lloyds Banking Group plc has granted to the directors of the Company a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of directors who join the board of the Company during the financial year. Directors no longer in office but who served on the board of the Company at any time in the financial year have the benefit of this contract of indemnity during that period of service. The indemnity remains in force for the duration of the directors' periods of office. The deed indemnifies the directors to the maximum extent permitted by law. Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc. In addition, the Group has in place appropriate directors and officers liability insurance cover which was in place throughout the financial year.

Directors' report (continued)

For the year ended 30 June 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and accounts in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors 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.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the Directors' report is approved:

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

Following the completion of a tender process, Deloitte LLP are to be appointed as auditors of all Group companies with accounting periods ending on or after 31 January 2021.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the board of directors and signed on its behalf by:



R A Jones
Director

15 December 2020

Balance sheet

As at 30 June 2020

	Note	2020 £'000	2019 £'000
ASSETS			
Amounts due from group undertakings	7	1	71,416
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Total assets		1	71,416
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EQUITY			
Share capital	8	1	1
Retained earnings		-	71,415
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Total equity		1	71,416
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Total equity and liabilities		1	71,416

The Company has not traded in the current year or the previous year and has made neither a profit nor a loss. The Company had no other recognised gains or losses during either year. The Company has therefore not prepared a Statement of comprehensive income in accordance with the provisions under section 444(5) of the Companies Act 2006 (the "Act") applicable to companies subject to the small companies regime.

The accompanying notes to the financial statements are an integral part of these financial statements.

The financial statements were approved by the board of directors and were signed on its behalf by:



R A Jones
Director

15 December 2020

Statement of changes in equity

For the year ended 30 June 2020

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 July 2018 and 30 June 2019	1	71,415	71,416
Dividend paid to equity holder of the Company	-	(71,415)	(71,415)
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At 30 June 2020	1	-	1

The accompanying notes to the financial statements are an integral part of these financial statements.

Cash flow statement

For the year ended 30 June 2020

	2020 £'000	2019 £'000
Cash flows generated from financing activities		
Dividends paid	(71,415)	-
Proceeds from net lending to group undertakings	71,415	-
Net cash generated from financing activities	-	-
Change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

The accompanying notes to the financial statements are an integral part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies

1.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in both years presented, unless otherwise stated.

A Statement of comprehensive income has not been presented in these financial statements as it would show £nil for the current and preceding financial years.

These financial statements have been prepared in accordance with applicable IFRSs as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRSs. IFRSs comprise accounting standards prefixed IFRS issued by the International Accounting Standards Board ("IASB") and those prefixed IAS issued by the IASB's predecessor body, as well as interpretations issued by the IFRS Interpretations Committee ("IFRS IC") and its predecessor body.

There have been no new IFRS pronouncements relevant to the Company adopted in these financial statements:

There are no pronouncements which will be relevant to the Company to be adopted in the future.

The financial statements have been prepared on a going concern basis as detailed in the Directors' report and under the historical cost convention.

1.2 Financial assets and liabilities

Financial assets comprise Amounts due from group undertakings. The Company has no financial liabilities.

All financial assets are stated at amortised cost.

1.3 Dividends

Dividends on ordinary shares are recognised through equity in the period in which they are paid.

2. Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There are no significant estimates or judgements that have been used in the preparation of these financial statements.

3. Other operating expenses

Fees payable to the Company's auditors for the audit of the financial statements of £2,000 (2019: £nil) have been borne by a fellow subsidiary undertaking and are not recharged to the Company. Accounting and administration services are provided by a fellow subsidiary undertaking and are not recharged to the Company.

There is no taxation payable or receivable in the current nor preceding year.

4. Staff costs

The Company did not have any employees during the year (2019: none).

5. Directors' emoluments

No director received any fees or emoluments from the Company during the year (2019: £nil). The directors are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities within the Group (see also note 9).

Notes to the financial statements (continued)

For the year ended 30 June 2020

6. Dividends

In October 2019, a dividend of £71,415,000, representing a dividend of £71,415 per share, was declared and paid.

7. Amounts due from group undertakings

	2020 £'000	2019 £'000
Amounts due from group undertakings (see note 9)	1	71,416

Amounts due from group undertakings is unsecured, non-interest bearing and repayable on demand.

8. Share capital

	2020 £'000	2019 £'000
Allotted, issued and fully paid 1,000 ordinary shares (2019: 1,000) of £1 each	1	1

9. Related party transactions

The Company is controlled by the Retail Division of Lloyds Banking Group plc. A summary of the outstanding balances at the year end are set out below.

	2020 £'000	2019 £'000
Amounts due from group undertakings Lex Autolease Limited (see note 7)	1	71,416

Key management personnel

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company. Accordingly, key management comprises the directors of the Company and the Retail Division of Lloyds Banking Group plc. There were no transactions between the Company and key management personnel during the current or preceding year. Key management personnel are employed by other companies within the Group and consider that their services to the Company are incidental to their other activities within the Group.

10. Financial risk management

Responsibility for the control of overall risk lies with the board of directors, operating within a management framework established by the Retail Division, and the ultimate parent, Lloyds Banking Group plc. As the Company is not trading and given the nature of the Company's position at the year end, the directors do not consider that there are any risks or uncertainties which affect the Company.

10.1 Fair values of financial assets and liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The directors consider that there are no significant differences between the carrying amounts shown in the Balance sheet and the fair value.

Notes to the financial statements (continued)

For the year ended 30 June 2020

11. Capital disclosures

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholders through pricing products and services commensurately with the level of risk and, indirectly, to support the Group's regulatory capital requirements.

The Company's parent manages the Company's capital structure and advises the board of directors to consider making adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the board of directors may adjust the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares, or sell assets.

The Company's capital comprises all components of equity, movements of which appear in the Statement of changes in equity. The Company receives its funding requirements from its fellow group undertakings and does not raise funding externally.

12. Contingent liabilities and capital commitments

The Group provides for potential tax liabilities that may arise on the basis of the amounts expected to be paid to tax authorities. This includes open matters where Her Majesty's Revenue and Customs ("HMRC") adopt a different interpretation and application of tax law which might lead to additional tax. The Group has an open matter in relation to a claim for group relief of losses incurred in its former Irish banking subsidiary, which ceased trading on 31 December 2010. In 2013 HMRC informed the Group that their interpretation of the UK rules, permitting the offset of such losses, denies the claim; if HMRC's position is found to be correct management estimate that this would result in an increase in current tax liabilities for the company of approximately £10,764,000 (including interest). The Group does not agree with HMRC's position and, having taken appropriate advice, does not consider that this is a case where additional tax will ultimately fall due.

13. Post balance sheet events

There are no post balance sheet events requiring disclosure in these financial statements.

14. Ultimate parent undertaking and controlling party

The immediate parent company is ACL Autolease Holdings Limited (incorporated in England and Wales). The company regarded by the directors as the ultimate parent company and controlling party is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Lloyds Bank plc is the parent undertaking of the smallest such group of undertakings. Copies of the financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN. The Lloyds Banking Group plc financial statements may be downloaded via www.lloydsbankinggroup.com.

Independent Auditors' report to the member of Lex Autolease (CH) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lex Autolease (CH) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2020; the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Independent Auditors' report to the member of Lex Autolease (CH) Limited (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

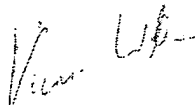
We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 30 June 2019, forming the corresponding figures of the financial statements for the year ended 30 June 2020, are unaudited.



Kevin Williams
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

15 December 2020