Eurolead Services Holdings Limited

Annual report and financial statements for the year ended 31 December 2019

Registered office

No. 1 Brookhill Way
Banbury
Oxfordshire
OX16 3EL

Registered number

04050949

Current directors

G Ferguson
V Smith
B Stephenson

Company Secretary

D D Hennessey

Member of Lloyds Banking Group

Directors' report

For the year ended 31 December 2019

The directors present their report and the audited financial statements of Eurolead Services Holdings Limited ("the Company") for the year ended 31 December 2019.

General information

The Company is a private company limited by shares, incorporated in the United Kingdom, registered in England and Wales and domiciled in England (registered number: 04050949). The Company holds an Investment in a dormant subsidiary, Cashfriday Limited. It also holds irredemable non-voting preference shares in Black Horse Group Limited.

The Company is funded entirely by other companies within the Lloyds Banking Group ("the Group").

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further details of the Company's and Group's risk management policy are contained in note 13 to the financial statements.

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.

Future outlook

No changes are expected in the main activities of the Company.

Following the UK's exit from the EU, significant negotiation is now required on the terms of the future trade agreement. As a result, the possibility of a limited or no deal at the end of the transition period remains and could manifest in prolonged business uncertainty across the UK, including in the financial services sector. This continued lack of clarity over the UK's relationship with the EU and other foreign countries, and on-going challenges in the Eurozone, including weak growth, raise additional uncertainty for the UK's economic outlook. There also remains the possibility of a further referendum on Scottish independence. The Company is part of the wider Lloyds Banking Group, and, it is at that level that consideration of the many potential implications this may have has been undertaken. Work continues to assess the impact of EU exit at the level of the Lloyds Banking Group, as well as for the Company, upon customers, colleagues and products. This assessment includes all legal, regulatory, tax, finance and capital implications. No impact is expected for the Company.

Post balance sheet event

On January 30, 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 31 December 2019, the resulting impact of Covid-19 has been assessed by the directors to be a non-adjusting post balance sheet 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 significant impact for the Company.

Dividends

No dividends were paid or proposed during the year ended 31 December 2019 (2018: £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:

B Stephenson	(appointed 7 November 2019)

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company's 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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; 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 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.

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.

Independent auditors and 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 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.

Independent auditors PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within section 414 of the Companies Act 2006.

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

G Ferguson
Director

3 July 2020

Statement of comprehensive income

For the year ended 31 December 2019

	Note	2019 £'000	Restated 2018 £'000
Interest income	3	**88**	92
Profit before tax		**88**	92
Taxation	7	**-**	-
Profit for the year, being total comprehensive income		**88**	92

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

The 2018 comparatives have been restated as explained in note 17.

Balance sheet

As at 31 December 2019

	Note	31 December 2019 £'000	Restated 31 December 2018 £'000	Restated 1 January 2018 £'000
ASSETS				
Cash and cash equivalents		**1,142**	1,142	1,142
Trade and other receivables	8	**264**	176	84
Investment in subsidiary undertakings	9	**2,337**	2,337	2,337
Loans and receivables	10	**2,051**	2,051	2,051
Total assets		**5,794**	5,706	5,614
EQUITY				
Share capital	11	**5,707**	5,707	5,707
Retained profits / (accumulated losses)		**87**	(1)	(93)
Total equity		**5,794**	5,706	5,614
Total equity and liabilities		**5,794**	5,706	5,614

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

The 2018 comparatives have been restated as explained in note 17.

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

G Ferguson
Director

3 July 2020

Statement of changes in equity

For the year ended 31 December 2019

	Share capital	Retained profits / (accumulated losses)	Total equity
	£'000	£'000	£'000
At 1 January 2018 (previously reported)	5,707	(177)	5,530
Prior year adjustment (see note 17)	-	84	84
At 1 January 2018 - restated	5,707	(93)	5,614
Profit for the year being total comprehensive income (restated)	-	92	92
At 31 December 2018 - restated	**5,707**	**(1)**	**5,706**
Profit for the year being total comprehensive income	-	88	88
At 31 December 2019	**5,707**	**87**	**5,794**

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

The 2018 comparatives have been restated as explained in note 17.

Cash flow statement

For the year ended 31 December 2019

	2019 £'000	Restated 2018 £'000
Cash flows used in operating activities		
Profit before tax	**88**	92
Adjustments for:		
Preference share income	**(88)**	(92)
Changes in operating assets and liabilities	**-**	-
- Net increase in Trade and other receivables	**(88)**	(92)
Net cash used in operating activities	**(88)**	(92)
Cash flows generated from investing activities		
Preference share income	**88**	92
Net cash generated from investing activities	**88**	92
Change in Cash and cash equivalents	**-**	-
Cash and cash equivalents at beginning of year	**1,142**	1,142
Cash and cash equivalents at end of year	**1,142**	1,142

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

The 2018 comparatives have been restated as explained in note 17.

Notes to the financial statements

For the year ended 31 December 2019

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.

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.

These financial statements have been prepared in accordance with applicable IFRSs as adopted by the European Union. 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.

The financial statements also comply with the relevant provisions of Part 15 of the Companies Act 2006, as applicable to limited liability partnerships.

The following IFRS pronouncement is relevant to the Company and has been adopted in these financial statements:

- IFRS 9 'Financial Instruments': Replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 requires financial assets to be classified into one of three measurement categories, fair value through profit or loss, fair value through other comprehensive income and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. IFRS 9 also replaces the existing 'incurred loss' impairment approach with an expected credit loss approach. The hedge accounting requirements of IFRS 9 are more closely aligned with risk management practices and follow a more principle based approach than IAS 39.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2019 and which have not been applied in preparing these financial statements are given in note 18. No standards have been early adopted.

These separate financial statements contain information about the Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemptions under IFRS 10 Consolidated Financial Statements and Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The Company and its subsidiaries are included in the consolidated financial statements of the Company's ultimate parent company.

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 Income recognition

Dividend income from preference shareholding investments is classified as Interest income and recognised when the right to receive payment is established.

1.3 Financial assets and liabilities

Financial assets comprise Cash and cash equivalents, Amounts due from group undertakings and Loans and receivables. The Company holds no financial liabilities.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognised when the rights to receive cash flows, or obligations to pay cash flows, have expired.

Interest bearing financial assets and financial liabilities are recognised and measured at amortised cost inclusive of transaction costs, using the effective interest rate method.

Amounts due from group undertakings is assessed at the reporting date for impairment on a forward looking basis and where appropriate an expected credit loss ("ECL") is recognised based on reasonable and supportable information.

1.4 Cash and cash equivalents

For the purposes of the Balance sheet and Cash flow statement, Cash and cash equivalents comprise balances with less than three months' maturity.

Notes to the financial statements (continued)
For the year ended 31 December 2019

1. Accounting policies (continued)

1.5 Taxation

Tax expense comprises current tax. Current tax is charged or credited in the income statement except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the income statement (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by Her Majesty's Revenue and Customs ("HMRC") or other relevant tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

1.6 Investment in subsidiary undertakings

Investment in subsidiary undertakings is stated in the Balance sheet at cost less any provision for impairment.

Investment in subsidiary undertakings is reviewed for impairment losses at the end of each period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of comprehensive income for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net realisable value and value in use. For the purposes of assessing impairment, investments are grouped at the lowest level at which cash flows are separately monitored by management.

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.

In the course of preparing these financial statements, there are no critical judgements nor have any critical accounting estimates been made in the process of applying the Company's accounting policies.

3. Interest income

	2019 £'000	Restated 2018 £'000
Group interest income (see note 12)	**88**	92

Interest income comprises a preference dividend from Black Horse Group Limited. The preference shares confer upon the holders the right to receive a cumulative preferential dividend in an amount to be determined by reference to twelve month sterling LIBOR plus a margin of 3.33 percentage points.

The 2018 comparatives have been restated as explained in note 17.

4. Other operating expenses

Fees payable to the Company's auditors for the audit of the financial statements of £5,000 (2018: £nil) have been borne by a fellow group company and are not recharged to the Company. Accounting and administration services are provided by a fellow group undertaking and are not recharged to the Company.

5. Staff costs

The Company did not have any employees during the year (2018: none).

6. Directors' emoluments

No director received any fees or emoluments from the Company during the year (2018: £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 12).

Notes to the financial statements (continued)

For the year ended 31 December 2019

7. Taxation

	2019 £'000	2018 £'000
Analysis of charge for the year		
UK corporation tax:		
- Current tax on taxable profit for the year	**-**	-

Corporation tax is calculated at a rate of 19.00% (2018: 19.00%) of the taxable profit for the year.

b) Factors affecting the tax charge for the year

A reconciliation of the charge that would result from applying the standard UK corporation tax rate to the profit before tax to the actual tax charge for the year is given below:

	2019 £'000	2018 £'000
Profit before tax	**88**	92
Tax charge thereon at UK corporation tax rate of 19.00% (2018: 19.00%)	**17**	17
Factors affecting charge:		
- Disallowed and non-taxable items	**(17)**	(17)
Tax charge on profit on ordinary activities	**-**	-
Effective rate	**0.00%**	0.00%

8. Trade and other receivables

	2019 £'000	Restated 2018 £'000
Amounts due from group undertakings (see note 12)	**264**	176

Amounts due from group undertakings are the preference dividends owed from Black Horse Group Limited. Amounts due from group undertakings is unsecured, non-interest bearing and repayable on demand. All Amounts due from group undertakings are included within stage 1 for IFRS 9 purposes. The ECL is £nil.

The 2018 comparatives have been restated as explained in note 17.

9. Investment in subsidiary undertakings

	2019 £'000	2018 £'000
Carrying value of investments at 31 December	**2,337**	2,337

Investment in subsidiary undertakings is stated at cost less impairment. As permitted by section 611 of the Companies Act 2006, where the relief afforded under section 612 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiaries.

The subsidiary undertaking at 31 December 2019 and 31 December 2018, listed below, and is incorporated in England and Wales.

Subsidiary undertakings	**Company interest**	**Principal activities**	**Registered Address**
Cashfriday Limited	100.00%	Dormant entity	1 Brookhill Way, Banbury, Oxon, OX16 3EL

The Company's interest in this entity is in the form of ordinary share capital. The proportion of the voting rights in the subsidiary undertaking held directly by the Company do not differ from the proportion of ordinary shares held.

Notes to the financial statements (continued)

For the year ended 31 December 2019

10. Loans and receivables

	2019 £'000	2018 £'000
Investments		
Preference shares	**2,051**	2,051

Loans and receivables comprise 100% of the irredeemable non-voting preference shares of Black Horse Group Limited.

11. Share capital

	2019 £'000	2018 £'000
Allotted, issued and fully paid		
5,707,144 ordinary shares of £1 each	**5,707**	5,707

12. Related party transactions

The Company is controlled by the Group. A number of transactions are entered into with related parties in the normal course of business. A summary of the outstanding balances at the year end and the related income is set out below.

	2019 £'000	2018 £'000
Amounts due from group undertakings		
Black Horse Group Limited (see note 8) *	**264**	176
Loans and receivables		
Black Horse Group Limited (see note 10)	**2,051**	2,051
Cash and cash equivalents held with group undertakings		
Lloyds Bank plc	**1,142**	1,142
Preference dividend		
Black Horse Group Limited (see note 3)	**88**	92

* The 2018 comparatives for Amounts due from group undertakings have been restated as explained in note 17.

The above balances are unsecured in nature and are expected to be settled in cash or by cash equivalents. Transactions in the year are those reflected through the Statement of comprehensive income.

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 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.

Notes to the financial statements (continued)

For the year ended 31 December 2019

13. Financial risk management

The Company's operations expose it to credit risk and business risk; it is not exposed to any significant liquidity risk, foreign exchange risk, interest rate risk, equity risk or market risk. Responsibility for the control of overall risk lies with the board of directors, operating within a management framework established by the immediate parent company and the ultimate parent, Lloyds Banking Group plc. Business risk is managed through regular reporting and oversight.

A description of the Company's financial assets/liabilities and associated accounting is provided in note 1.

13.1 Credit risk

Credit risk management

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's financial assets have no amounts past due or impaired and the balances are considered to be of high credit quality, therefore the directors do not consider that the Company has significant exposure to credit risk. The maximum credit exposure of the Company in the event of other parties failing to perform their obligations is considered to be the balance sheet carrying value of the sum of Cash and cash equivalents, Loans and receivables and Amounts due to group undertakings of £3,457,000 (2018: £3,369,000).

13.2 Business risk

Business risk is the risk that the Company's earnings are adversely impacted by a suboptimal business strategy or the suboptimal implementation of the strategy. In assessing business risk consideration is given to internal and external factors such as products, funding, resource capability and economic, political and regulatory factors.

Through regular reports and oversight business risk is managed by corrective actions to plans and reductions in exposures where necessary.

13.3 Financial strategy

The Company does not trade in financial instruments, nor does it use derivatives.

13.4 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 director considers that there are no significant differences between the carrying amounts shown in the Balance sheet and the fair value.

14. 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 in 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.

15. Contingent liabilities and capital commitments

There were no contingent liabilities or contracted capital commitments at the Balance sheet date (2018: £nil).

16. Post balance sheet events

On January 30, 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 31 December 2019, the resulting impact of Covid-19 has been assessed by the directors to be a non-adjusting post balance sheet 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 significant impact for the Company.

17. Restatement of comparatives

The comparative information reported has been restated as explained below:

	Restated	Adjustment	Previously reported
	£'000	£'000	£'000
Statement of comprehensive income			
year ended 31 December 2017			
Interest income (note 3)	**84**	84	-
year ended 31 December 2018			
Interest income (note 3)	**92**	92	-
Balance sheet as at 1 January 2018			
Assets			
Trade and other receivables (note 8)	**84**	84	-
Equity			
Accumulated losses	**(93)**	84	(177)
Balance sheet as at 31 December 2018			
Assets			
Trade and other receivables (note 8)	**176**	176	-
Equity			
Accumulated losses	**(1)**	176	(177)

As set out in note 1.2 and note 3, the Company is entitled to cumulative preference dividends. However, these were not paid, nor accrued by the Company during 2017 and 2018. Therefore a restatement has been made in these financial statements to correctly account for this income. The impact of this in the Statement of comprehensive income for the years ended 31 December 2017 and 31 December 2018 and on the Balance sheet at 1 January 2018 and 31 December 2018 has been shown in the table above. Net assets have increased by £84,000 at 31 December 2017, and by £176,000 at 31 December 2018.

The restatement has decreased net cash used in operating activities and increase net cash generated from investing activities in the cash flow statement by £92,000 in the year ended 31 December 2018.

During 2018 the Company adopted IFRS 9, however, this has not had any impact on any amounts recognised within these financial statements.

Notes to the financial statements (continued)

For the year ended 31 December 2019

18. Future developments

The following pronouncement will be relevant to the Company but was not effective at 31 December 2019 and has not been applied in preparing these financial statements.

Pronouncement	Nature of change	Effective date
Minor amendments to other accounting standards	The IASB has issued a number of minor amendments to IFRSs (including IFRS 3 Business Combinations and IAS 1 Presentation of Financial Statements).	Annual periods beginning on or after 1 January 2020

The full impact of this pronouncement is being assessed by the Company. However, the initial view is that this is not expected to cause any material adjustments to the reported numbers in the financial statements.

19. Ultimate parent undertaking and controlling party

The immediate parent company is Lloyds Bank Commercial Finance 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 Eurolead Services Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Eurolead Services Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit 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
- 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 31 December 2019; the Statement of comprehensive income, 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 for 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.

We have nothing to report in respect of the above matters.

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 31 December 2019 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 Eurolead Services Holdings 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 required reporting

The financial statements for the year ended 31 December 2018, forming the corresponding figures of the financial statements for the year ended 31 December 2019, are unaudited.

Kevin Williams (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Cardiff

3 July 2020