Registered Number: **11577394**

RED & BLACK AUTO LEASE UK 1 PLC

Report and Financial Statements
for the period from 19 September 2018
(date of incorporation) to

31 December 2019

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Company Information

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

Directors

Helena Whitaker
Intertrust Directors 1 Limited
Intertrust Directors 2 Limited

Company Secretary and Trustee

Intertrust Corporate Services Limited *(Appointed 19 Sep 2018)*

35 Great St Helens
London
EC3A 6AP

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Registered Office

35 Great St Helen's
London
EC3A 6AP

Company number

11577394

Strategic Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

The directors present the first strategic report of Red & Black Auto Lease UK 1 Plc (the "Company") for the period from 19 September 2018 (date of incorporation) to 31 December 2019.

Incorporation, principal activity, business review and future developments

The Company, a public limited company, was incorporated on 19 September 2018 in the United Kingdom and registered in England and Wales.

The Company has been established as a bankruptcy remote special purpose vehicle with the purpose of raising funding by issuing non-listed notes (the "Notes") and apply this funding to acquire a portfolio (the "Initial Portfolio") of lease receivables from vehicle lease agreements originated by ALD Automotive Limited (the "Seller" and the "Servicer") with the exclusion of any amount in respect of the residual value claims (the "Lease Receivables").

On 17 December 2018 (the "Closing Date") the Company issued £414 million Senior Class A Notes (the "Senior Notes") and £186 million Junior Class B Notes (the "Junior Notes"), collectively referred to as the Notes. The Notes are due to mature in November 2029.

The Seller subscribed to 100% of the Junior Notes issued by the Company.

The Company then applied the proceeds of the Notes to acquire the Initial Portfolio of lease receivables from the Seller for a consideration of £600 million. There is a revolving period of one year from the closing date during which terminated contracts in the Initial Portfolio and any additional portfolios will be replaced by additional contracts sold in. Following this period, the Notes will redeem in line with the amortisation profile of the remaining underlying portfolio.

The Initial Portfolio and subsequent additional portfolios acquired by the Company from the Seller fail the de-recognition criteria of IFRS9 as the Seller retains substantially all risks and rewards from the assets and therefore the lease receivable portfolios transferred to the Company remain on the balance sheet of the Seller. Therefore, instead of recognising the lease receivable portfolios in the Statement of Financial Position, the Company has recognised a Loan to the Seller (the "Loan").

The Loan represents the amount corresponding to the consideration paid by the Company for the Initial Portfolio, less the Junior Notes less a Subordinated Loan from the Seller to fund the Liquidity Reserve.

Results

The audited financial statements for the period ended 31 December 2019 are set out on pages 13 to 29. The statement of comprehensive income is set out on page 13 and shows a loss of £473k. The loss is expected to be reversed in subsequent years due to reductions of administrative set-up costs and the interest income due from new lease receivables.

Under the terms of the transaction documents the Company is expected to retain an issuer profit in an amount equal to £3,000 each month on each interest payment date for the first two years following the closing date where after the issuer profit will be reduced to £105 each month.

Future developments

The directors do not anticipate any changes to the present level of activity, or the nature of, the Company's business in the near future.

Strategic Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

Key performance indicators

The Servicer on a monthly basis provides a full breakdown of the performance of the Initial Portfolio. Management review the percentage of non-delinquent loans as a key performance indicator when assessing the performance of the portfolio of lease receivables. At the period end non-delinquent loans represented 98.44% of the total portfolio.

Lease receivables in arrears:

	31 May 2020 £'000	31 December 2019 £'000
Outstanding balance of underlying Receivables	600,000	600,000
Delinquent Receivables	9,699	9,386
As a percentage of the outstanding balance	1.61%	1.56%

From the above table, only 1.56% of the pool of lease receivables are in arrears with their monthly payments. Subsequent to the period end, despite the economic uncertainties stemming from the COVID-19 outbreak, the delinquent portion has not significantly increase. Management are satisfied that the portfolio is performing well at period end and up to and including the date of this report.

For additional information on the performance of the Receivables refer to Note 13 on page 26.

Financial instruments

The Company's operations are financed primarily by means of the Notes. The Company issued such financial instruments to finance the Loan as explained in the business review above.

The Company uses derivative financial instruments (interest rate swaps) to manage the interest rate risk arising from the Company's sources of income (the Loan) and its sources of finance (the Notes). It is not the Company's policy to trade in financial instruments.

The primary risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The principal nature of such risks is summarised below.

Credit risk

Credit risk reflects the risk that the underlying borrowers or other transaction parties may not meet their obligations as they fall due.

The Loan may become impaired in case of a significant deterioration in the performance of the Receivables as a result of economic conditions in the UK in the future. This deterioration may result in higher levels of delinquencies and/or in a larger number of vehicle returns to ALD Automotive Limited at the end of the financing contracts when their market price would be less than the one currently forecasted and currently observed.

However, delinquencies and defaults on the underlying securitised assets will not result in an impairment loss if the cash flows from the asset pool are still expected to be sufficient to meet the Company's obligations. Losses incurred on the securitised assets will not trigger an impairment charge as long as they do not exceed the credit enhancement granted by the Seller.

Strategic Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

Principal risks and uncertainties (continued)

Financial instruments (continued)

Liquidity risk

Liquidity risk reflects the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments, should the actual cash flows from its assets differ from those expected.

The Company's assets (primarily the Loan) are financed by the issuance of the Notes. The financing policy substantially reduces the Company's liquidity risk by matching the maturity profile of the Company's funding to the profile of the assets being funded.

The Company can also use the liquidity reserve amounting to £2,484,000 to manage any remaining liquidity risk.

Interest Rate Risk

Interest rate risk exists where interest rates on assets and liabilities are set on different bases or reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. Where this is not possible the Company uses derivative financial instruments to mitigate any residual interest rate risk.

At the year end the Company was party to interest rate swaps to hedge against interest rate risk arising from the resetting of interest rates of assets and liabilities on different bases.

Covid-19 Coronavirus considerations

In early 2020 a new coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organisation (WHO). The unfolding COVID-19 pandemic crisis is affecting both economic and financial markets and there are numerous challenges associated with the economic conditions resulting from efforts to address it. These include increased financial market volatility, liquidity concerns and government intervention.

In line with the Financial Reporting Council guidance issued in March 2020, the directors consider the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event at 31 December 2019 on the basis that at that date

a) the WHO had not declared it as pandemic; and
b) there were no coronavirus cases in the UK at that stage.

The directors have considered the potential impact of the pandemic when determining the severity and likelihood of downside scenarios within the Company's Going Concern and will continue to monitor these scenarios during the year.

To assess the credit risks posed by the COVID-19 virus management have assessed the performance of the Receivables post balance sheet date and reaffirmed that the credit enhancement mechanisms in place to mitigate the credit risk to an acceptable level are still deemed appropriate.

Strategic Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

Covid-19 Coronavirus considerations

Credit enhancement is provided to the securitisation structure in a number of ways. The income on the Receivables is expected to exceed the interest payable on the Notes. The principal deficiency ledger mechanism in the structure allows this excess spread available to make good any reductions in the principal balance of the Receivables as a result of defaults by obligors. In addition, there is a reserve fund which can be utilised by the Company in order to meet its obligations to the holders of the Notes. At year end the Reserve fund balance is £2,484,000.

Credit support has been provided by the Seller in the form of over collateralisation. The agreed consideration for any Receivables purchased by the Company is approximately 69% of the nominal balance of Receivables purchased. The remaining 31% represents credit support provided by the Seller in the form of a Junior Note, with any excess funds being due back to the Seller in the form of deferred purchase consideration.

Management have considered the risk of insolvency of the Servicer and their ability to act as the servicer for the foreseeable future. In June 2020 S&P Global downgraded the Servicer from BBB to BBB+, while Fitch Ratings downgraded the Servicer from A- to BBB+. Both rating agencies have assessed the Servicer's long-term outlook as 'Stable'.

The spread of Covid-19 represents a non-adjusting post balance sheet event in the UK and therefore it remains appropriate that the measurement of assets and liabilities as at 31 December 2019 reflects only the conditions that existed at that date. The directors have concluded that the pandemic does not provide any additional information about uncertainties and events that existed at 31 December 2019. Consequently, the directors' assessment of potential post balance sheet events did not reveal any events that require adjustment to be made to the financial statements.

Capital management

The Company is not subject to any external capital requirements, except for the minimum requirement under the Companies Act 2006. The Company has not breached this minimum requirement.

Section 172(1) statement

As an SPV the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The directors have had regards to the matters set out in section 172(1) of the Companies Act 2006 as follows:

(a) the transaction documents have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and as disclosed in Note 1 in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;

(b) the company has no employees;

(c) the Company is a securitisation vehicle and fosters its relationships with suppliers and others via professional third parties who have been assigned operational roles with their roles strictly governed by the transaction documents and fee arrangements agreed in advance. The Company has no customers.

(d) as a securitisation vehicle the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;

Strategic Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

Section 172(1) statement (continued)

(e) the Company maintains a reputation for high standards of business conduct via professional third parties who have been assigned operational roles. Fee arrangements have been agreed in advance and supplier invoices paid strictly in accordance with the transaction documents including a priority of payments, if applicable; and

the Company has a sole member with the issued shares all held on a discretionary trust basis for the benefit of charities to be determined.

In accordance with s. 426B Companies Act 2006 a copy of this statement is available at **https://www.intertrustgroup.com/our-services/capital-markets-services/public-transactions**.

The Strategic Report was approved and authorised for issue by the board and signed on its behalf by:

Sue Abrahams
Per pro Intertrust Directors 1 Limited
as Director
30 June 2020

Director's Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

The directors present their annual report together with the audited financial statements of the Company for the period from 19 September 2018 to 31 December 2019.

Going concern
In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation.

The Company is obliged to repay the Notes at their principal amount outstanding upon maturity. However, due to the non-recourse nature of the Notes, the Company's ability to pay amounts due on the Notes are, in substance, limited to the application of the receipts from the Lease Receivables under the terms of the priority of payments as set out in the terms and conditions of the Notes.

It is the intention of the directors for the Company to continue operations until such a time as the amounts due from the Lease Receivables have been fully realised. Ultimately, due to the limited recourse nature of the Notes, any shortfall in the proceeds of the Lease Receivables will be a risk to the holder of the Notes.

The Company reported a loss during the current period of £473k which largely related to the initial fair value recognition of derivative instruments. The fair value adjustment of derivative instruments amounted to a fair value loss of £502k in the current period. Management expects the fair value adjustments to decrease in amount in subsequent periods.

Therefore, the directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

Future developments
Information on future developments is included in the Incorporation, principal activities, business review and future developments section of the Strategic report.

Financial risk management
Information on financial risk management is included in the financial instruments section of the Strategic report.

Directors and their interests
The directors of the Company during the period, and up to the date of signing the financial statements, were:

Helena Whitaker	(appointed on 19 September 2018)
Intertrust Directors 1 Limited	(appointed on 19 September 2018)
Intertrust Directors 2 Limited	(appointed on 19 September 2018)

None of the directors have any beneficial interest in the ordinary share capital of the Company. None of the directors had any interest during the period in any material contract or arrangement with the Company.

Dividends
The directors do not recommend the payment of a dividend for the period ended 31 December 2019.

Share capital
The issued share capital consists of 49,998 quarter paid and 2 fully paid ordinary shares of £1 each.

Director's Report

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

Third party indemnities
Qualifying third party indemnity provisions for the benefit of the directors were in force during the period under review and remain in force as at the date of approval of the annual report and financial statements.

Company secretary
Intertrust Corporate Services Limited acted as company secretary to the period end, and subsequently.

Corporate governance
As more fully described in the Section 172(1) statement in the Strategic Report the directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction.

The transaction documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

Due to the nature of the securities, the directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the disclosure provisions of the UK Corporate Governance Code.

Charitable/political donations
The entity made no charitable/political donations during the period under review.

Auditor
The auditor, Ernst & Young LLP, are appointed by the directors as the first auditor of the Company during the period under review and a proposal for their reappointment will be proposed at the AGM.

Statement of disclosure of information to the auditor
The directors confirm that:

(a) so far as each of the directors are aware, there is no relevant information of which the Company's auditor is unaware; and

(b) each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

The Directors' Report was approved and authorised for issue by the board and signed on its behalf by:

Sue Abrahams

Per pro Intertrust Directors 1 Limited
as Director
30 June 2020

Statement of Director's Responsibility

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with IFRSs as adopted by the EU and applicable law. 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 EU adopted Accounting Standards, comprising IFRSs, 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 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.

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. Under applicable law and regulations, the directors are also responsible to preparing a strategic report and directors report that complies with that law and those regulations.

Independent Auditor's Report to the Members of Red & Black Auto Lease UK 1 PLC.

Opinion

We have audited the financial statements of Red & Black Auto Lease UK 1 PLC for the period ended 31 December 2019 which comprise the Statement of comprehensive income ,Balance Sheet, Statement of cash flows, the Statement of changes in equity and the related notes1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at [date] and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of covid-19

We draw attention to notes 1 and 16 of the financial statements, which describes the economic disruption the company could face as a result of COVID-19 which could impact the ability of customers of the Originator to repay their auto loans. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Richard Page (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
30 June 2020

Statement of Comprehensive Income

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

	Note	**19 Sep 2018 to 31 Dec 2019 £'000**
Interest income *(Calculated using effective interest rate method)*	2(a)	40,843
Interest expense *(Calculated using effective interest rate method)*	2(b)	(7,424)
Net interest income		33,419
Other income		1
Operating expenses	4	(1,348)
Deferred consideration	3	(32,538)
Loss on ordinary activities before taxation		(466)
Taxation on profit on ordinary activities	5	(7)
Total comprehensive loss for the period		(473)

All amounts relate to continuing activities.

The accompanying notes on pages 17 to 29 are an integral part of these financial statements.

Statement of Changes in Equity

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

	Called up share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 19 September 2018 (date of incorporation)	-	-	-
Issue of shares	50	-	50
Loss for the financial period and total comprehensive loss	-	(473)	(473)
Balance as at 31 December 2019	**50**	**(473)**	**(423)**

The accompanying notes on pages 17 to 29 are an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2019

	Note	2019 £'000
Non-current assets		
Loan to seller	7(a)	171,800
Current assets		242,503
Loan to seller	7(b)	239,716
Trade and other receivables	8	267
Cash and cash equivalents	9	2,520
Total Assets		**414,303**
Equity		(423)
Issued share capital	12	50
Retained earnings		(473)
Non-current liabilities		
Notes	10	414,000
Current liabilities		726
Trade and other payables	11	726
Total equity and liabilities		**414,303**

The accompanying notes on pages 17 to 29 are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 30 June 2020 and signed on its behalf by:

Sue Abrahams
Per pro **Intertrust Directors 1 Limited**
as Director

Cash Flow Statement

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

	Notes	19 Sep 18 to 31 Dec 2019 £'000
Cash flows from operating activities		
Loss on ordinary activities before taxation		(466)
Increase in debtors		(267)
Increase in creditors		719
Net cash used in operating activities		(14)
Cash flows used in investing activities		
New Loans		(600,000)
Net cash outflow from investing activities		(600,000)
Cash flows from financing activities		
Proceeds from Issuance of Notes		600,000
Proceeds from Subordinated Loan		2,484
Proceeds from the issuance of Share Capital		50
Net cash inflow from financing activities		602,534
Net increase in cash and cash equivalents		2,520
Cash and cash equivalents at start of period		-
Cash and cash equivalents at end of financial period	9	**2,520**

The accompanying notes on pages 17 to 29 are an integral part of these financial statements.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019

1. Accounting Policies

General Information

Red & Black Auto Lease UK 1 Plc (the "Company"), a public company with limited liability by shares, was incorporated as a special purpose company in the United Kingdom and registered in England and Wales on the 19 September 2018 under the Companies Act 2006. The address of its registered office is 35 Great St. Helen's, London, EC3A 6AP.

Basis of preparation

The financial statements for the period from 19 September 2018 (date of incorporation) to 30 December 2019 have been prepared in accordance with EU adopted International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The standards applied by the Company are those endorsed by the European Union and effective at the date the financial statements are approved by the Board. All the accounting policies have been consistently applied in the financial statements.

Going concern basis

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. The obligations of the Company to pay amounts due on the Notes, which mature in November 2029, are limited to the application of receipts from the Loans under the terms of the priority of payments as set out in the terms and conditions of the Notes.

If, on full realisation of the Lease Receivables, insufficient funds exist to settle the liabilities owed to the subscribers of the Notes, (the "Noteholders"), a limited recourse clause exists which states that the liabilities due to the noteholders shall cease to be due and payable. Ultimately, due to the limited recourse nature of the Notes, any shortfall in the proceeds of the Receivables will be a risk to the holders of the Notes.

In response to the COVID-19 pandemic management have assessed the performance of the Receivables post balance sheet date and reaffirmed that the credit enhancement mechanisms in place to mitigate the credit risk to an acceptable level are still deemed appropriate.

From the assessments made above, the directors have formed a judgement that at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors have adopted the going concern basis in preparing the financial statements.

Interest income and interest expense

The Company accounts for interest income and expense on an accruals basis. Interest income on financial assets that are classified as Loans and interest expense on financial liabilities is determined using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Interest income is presented as the net of interest income from Receivables, interest expense on the Subordinated Loan from the Seller and interest expense on the Class B Note from the Seller.

Servicing fees

Fees payable by the Company to ALD Automotive Limited, (the "Servicer") for costs related to the administration of the Lease Receivables are recognised on the accrual basis.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

1. Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument and are de-recognised on the date it ceases to be party, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction such that substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company's financial instruments comprise a Loan, cash and liquid resources, derivative instruments, Senior Notes, Junior Notes and various payables that arise from its operation. These financial instruments are classified as described below:

(i) Loans - Recognition

Where a transfer of a financial asset does not qualify for de-recognition, the transferee does not recognise the transferred asset as its asset. The transferee derecognises the cash or other consideration paid and recognises a receivable from the transferor. In relation to the Lease Receivables transferred to the Company, de-recognition is considered to be inappropriate for ALD Automotive Limited's (the portfolio "Seller's") own financial statements as the Seller has retained substantially all the risks and rewards from the transferred financial assets. The Company's financial statements are therefore prepared on the basis that its acquisitions of beneficial interests in the Lease Receivables are recognised as a collateralised non-recourse loan to the Seller (the "Loan"), based on the amount the Company paid to the Seller to acquire the Lease Receivables net of the Seller's subscription for the Junior Notes and grant of a Subordinated Loan to the Company.

The Junior Notes and Subordinated Loan are incorporated within the Loan, as although they have separate legal form, all transactions were entered into at the same time and, in contemplation of each other, they relate to the same risk. There is no apparent economic need or substantive business purpose for structuring the transaction separately that could not have been accomplished as a single transaction. The transaction meets the requirement criteria of IAS 32 par. 42(b) as the Company intends to realise the asset and settle liability simultaneously and are thus offset in the financial statements of the Company.

On the basis that the Loan is to be held for collection of the underlying contractual cash flows and the cash flows are deemed to represent solely payments of principal and interest ("SPPI"), it is measured initially at fair value and then subsequently at amortised cost using the effective interest rate method.

The Company regularly reviews the credit enhancement incorporated into the Loan in order to assess for impairment. In arriving at the Expected Credit Losses ("ECL") associated in respect of the underlying receivables, a three-stage model is adopted:

- Stage 1: 12 month ECL calculated at initial recognition covering expected defaults over the next 12 months;
- Stage 2: Lifetime ECL (not credit impaired) calculated following a significant deterioration in credit quality relative to initial recognition; and
- Stage 3: Lifetime ECL (credit impaired) calculated once deemed to be credit impaired and interest revenue recognised on the revised receivable balance, net of the lifetime loss allowance (as opposed to gross).

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

1. Accounting Policies (continued)

Financial instruments (continued)

(i) Loans – Recognition (continued)

The ECL allowance on the underlying receivables is calculated using probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") and utilise industry standard models and other relevant judgements exercised by the Seller. These models incorporate the Seller's historical experience of credit losses and recoveries, the specific composition of the underlying receivables portfolio, risk evaluation at the time of origination and a forecast of future economic conditions.

An indicator used to determine any significant changes to the credit risk profile of the Receivables are the ratings of Sociëté General (the 'Majority Shareholder of the Seller'). A significant decrease in the ratings of the Majority Shareholder would constitute an impairment event.

Date	**S&P Global Rating**	**Fitch Rating**
January 2019	A	AA
December 2019	A	AA

The company continuously assesses the performance of the Receivables and determines if the credit enhancement mechanisms in place to reduce the credit risk to a reasonable level are still effective. A significant change in the credit risk profile of the Receivables will occur when expected cash flows from the Receivables are considered lower than the contractual cashflows expected to settle the principal and interest of the Senior Loan facility after considering the Reserve Ledger and over collateralisation of the Receivables.

(ii) Loans - Impairment

The Loan to the Seller for this entity is not expected to result in a day one ECL. Unlike other financial instruments, the Loan to the Seller is, by its construction, an instrument that incorporates credit enhancement. As previously noted the interest due on the Loan to Seller is only due to the extent it matches the obligations of the entity. All securitisation programmes incorporate credit enhancement in the form of excess spread and various reserve funds for use in the event the excess spread for a particular payment period is insufficient. Expected losses for the deemed loan to seller would only therefore be recognised where the ECLs on the underlying assets were large enough that no credit enhancement remained. To date, no permanent losses have occurred on the Lease Receivables since the structure's inception, and credit enhancement has remained more than sufficient to cover losses on underlying assets. Given the headroom available, the probability of default ('PD') on the Loans to the Seller is considered to be close to zero, and therefore the initial 12 month ECL recognised in the accounts is nil and the entity is deemed to fall within stage 1 of the ECL model.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

1. Accounting Policies (continued)

Financial instruments (continued)

(iii) Borrowings - Recognition

The Borrowings are classified as other financial liabilities and are initially recognised at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost, with any difference between cost and redemption value being recognised in the statement of comprehensive income on an effective interest basis.

Receipts from the Senior Notes drawings and the Junior Notes were used to purchase the Lease Receivables.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks.

Trade payables

Trade payables are initially measured at fair value and are subsequently valued at amortised cost.

Segmental analysis

The principal asset of the Company is the Loan which is originated in the United Kingdom and funded by drawing Senior Notes and Junior Notes issued in the United Kingdom. All cash and cash equivalents are held in the United Kingdom.

Taxation

For UK corporation tax purposes, the Company is a securitisation company under the 'Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296). Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the transaction. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Finance Income

Finance revenue receipts are defined by the transaction documentation and include interest on the Lease Receivables and interest received on the bank accounts. Profits in excess of this accrue to the Seller. The excess profit is defined as the "Deferred Consideration". Accordingly, the payments of deferred consideration are strictly governed by the priority of payments that sets out how cash can be utilised.

Due to its linkage with the cash flows associated with the Lease Receivables further amounts are offset against interest income which include the interest expense incurred on the Junior Notes and interest incurred on the Subordinated Loan. After offsetting the remaining income is defined as the "Net finance income" from Lease Receivables.

Deferred consideration

Deferred consideration represents the contractual obligation to pay residual funds to holders of residual certificates. Once excess reserves have accrued in the Company, therefore constituting a liability in the books of the Company to the extent such reserves have been generated, are expected to be paid as deferred consideration in the future.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

1. Accounting Policies (continued)

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make certain 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 these estimates are based on management's best knowledge of the amount, event or action, actual results ultimately may differ from those estimates.

Measurement of the Loan to the Seller (the "Loan")

The Loan to the Seller is a "deemed loan" because whilst the substance of the arrangement giving rise to it is a secured funding transaction, the legal form was an asset sale.

It has been concluded that the Loan should be measured at amortised cost under IFRS 9 having assessed the business model and underlying cash flows against the relevant criteria below.

Given the nature of the Company's activities, the applicable business model was identified as being one that holds to collect the cash flows of the Loan. It was then necessary to confirm that cash flows received in respect of the Loan represent payments of solely principal and interest ("SPPI").

IFRS 9 does not provide specific guidance on assessing the SPPI criterion for deemed loan assets. Furthermore a deemed loan does not have a single contract which sets out its contractual terms, but instead is formed from elements of different contracts that give rise to the deemed loan. It is therefore necessary to determine what the contractual terms of the deemed loan are by considering the various contractual rights and obligations that the Loan represents. This requires consideration of the terms of the underlying assets and of the Notes purchased, as well as any associated instruments to determine which of the cash flows of the underlying assets are incorporated into the deemed loan.

In assessing SPPI and possible non-compliance, the following feature of the Loan was identified:

- Given the level of over collateralisation inherent in the Loan, the Company is not deemed to be materially exposed to external risks other than credit risk associated with the Lease Receivables.

Based on the above, the directors have concluded that the Loan does not violate the SPPI test and therefore should be measured at amortised cost under IFRS 9.

Impairment losses on loan to Seller

The recoverability of the Deemed loan to Seller is dependent on the collections from the underlying Lease Receivables. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These key assumptions are based on observed data from historical patterns and are updated by the Servicer as new data becomes available.

In addition, the directors consider how appropriate past trends and patterns could impact the current economic climate and may make any adjustments they believe are necessary to reflect the current economic and market conditions.

The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

1. Accounting Policies (continued)

Critical accounting estimates and judgements (continued)

Impairment losses on loan to Seller (continued)
Credit enhancement is provided to the securitisation structure in a number of ways. The net income on the Lease Receivables is expected to exceed the interest payable on the Company's Senior Notes and Junior Notes. Because of the Principal Deficiency Ledger mechanism in the structure, this excess spread is available to make good any reductions in the principal balance of the Lease Receivables as a result of defaults by customers. In addition the Seller provides a reserve fund which can be utilised by the Company in certain circumstances.

As a result of expected cash flows in respect of securitised assets being considered higher than the expected over-collateralisation (credit enhancement) from the Seller at the balance sheet date, no expected credit loss or probable defaults were material enough to result in an impairment of the securitised assets.

2. Interest income and expense

(a) Interest Income

	2019 £'000
Net Interest income from Lease Receivables	40,800
Bank interest	43
	40,843

(b) Finance Expense

	2019 £'000
Interest payable on Notes	6,922
Fair value loss on financial instruments at fair value through profit or loss	502
	7,424

3. Deferred consideration

	2019 £'000
Deferred consideration	32,538
	32,538

4. Operating expenses

	2019 £'000
Servicing fees	1,201
Professional fees	18
Auditor's remuneration - audit services	32
Corporate servicer fees	55
Agent bank fees - trustee fees, cash management and account fees	42
	1,348

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

5. Directors and employees

The Company has no employees and services required are contracted from third parties.

The directors received no remuneration from the Company in respect of qualifying services rendered during the period.

6. Taxation on loss on ordinary activities

(a) Analysis of the company charge in the period

	2019 £'000
UK Corporation charge for the period	7
	7

(b) Factors affecting the Company current tax charge for the period:

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. A reconciliation of factors affecting the Company current tax charge is presented below:

	2019 £'000
Loss on ordinary activities before tax	(466)
Current tax charge at 19%	89
Effects of:	
Accounting profits not taxed in accordance with SI 2006/3296	(89)
Cash retained profit taxed in accordance with SI 2006/3296	7
	7

For UK corporation tax purposes, the Company is a securitisation company under the 'Taxation of Securitisation Companies Regulations 2006' (SI 2006/3296). Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the Transaction. The Company is expected to retain an issuer profit in an amount equal to £3,000 each month on each interest payment date for the first two years following the closing date where after the issuer profit will be reduced to £105 each month.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

7. Loan

Loan to Seller

	2019 £'000
Opening value	-
Acquisition of Portfolio of Lease Receivables	600,000
Closing balance of Lease Receivables	600,000
Less Junior notes purchased by the seller	(186,000)
Less Subordinated loan from the seller	(2,484)
	411,516

The maturity profile of the Loan is as follows:	2019 £'000
a. In more than one year	171,800
b. In one year or less	239,716
Total Loan	**411,516**

8. Trade and other receivables

	2019 £'000
Collections due	217
Other debtors	50
	267

9. Cash and cash equivalents

	2019 £'000
Cash at bank	2,520
	2,520

10. Senior Notes

	2019 £'000
Senior Notes	414,000
	414,000

The Senior Notes are secured by means of a fixed and floating charge over a portfolio of Vehicle Lease Receivables. The repayment of the Senior Notes is dependent on the receipt of the payments from the portfolio of Lease Receivables acquired and follows a priority of payments.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

11. Trade and other payables

	2019
	£'000
Accrued interest on Notes	185
Fair value derivatives	502
Corporate income taxation	7
Audit fee accrual	32
	726

12. Called up share capital

	2019
	£'000
Authorised:	
50,000 ordinary shares at £1 each	50
Allotted, called up and fully paid:	
50,000 ordinary shares at £1 each	50

13. Financial instruments

The narrative disclosures required by IFRS 9 in relation to the nature of the financial instruments used during the period to mitigate credit, interest rate and liquidity exposures is shown in the Strategic Report under the heading 'Financial Instruments'.

Principal risks and uncertainties

The Company's exposure to risk on its financial instruments and the management of such risk is largely determined from inception of the securitisation transaction. The Company's activities and the role of each party to the transaction is clearly defined and documented. ALD Automotive Limited manages the Lease Receivables under the servicing agreement with the Company. In managing the Lease Receivables, the Servicer applies its formal structure for managing risk and other control procedures.

Following initial set-up, the directors monitor the Company's performance, reviewing reports on the performance of the Lease Receivables. Such review is designed to ensure that the terms of the documentation have been met and that no unforeseen risks have arisen.

Categories of financial instrument

	2019
	£'000
Financial assets	
Loans	411,516
Cash and cash equivalents	2,520
Financial liabilities	
Senior Notes	(414,000)
Derivatives	(502)

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

13. Financial instruments (continued)

Credit risk

Credit risk on the Loan is considered to be minimal because the credit losses on the securitised Lease Receivables are not expected to exceed the amount of credit enhancement supplied by the Seller, being the excess spread on the Lease Receivables.

The maximum exposure to credit risk pre-collateral as stated above arising on the Company's financial assets at the reporting date is disclosed in the table below.

	Carrying value 2019 £'000	Maximum Exposure 2019 £'000
Assets		
Loans	411,516	411,516
Trade and other receivables	267	267
Cash and cash equivalents	2,520	2,520
	414,303	414,303

The credit quality of the Loan is best summarised by looking at the underlying Lease receivables as follows:

	£'000	
Portfolio of lease receivables:	**600,000**	**100%**
Not delinquent	590,614	98.44%
1 Payment down	7,948	1.32%
2 Payments down	971	0.16%
3 Payments down	144	0.02%
4 Payments down	262	0.04%
5 Payments down	25	0.00%
6 Payments down	36	0.01%
>6 Payments down	-	0.00%

The value of the collateral at the period end is in excess of the above value of the Loan.

The Loan may become impaired in case of a significant deterioration in the performance of the Lease Receivables as a result of economic conditions. If a lessee defaults, the Company will receive asset realisation proceeds equivalent to the value of the asset at the time of sale through the priority of payments mechanism in the transaction. If it is difficult to find a purchaser for the assets or if there is insufficient excess spread to cover the losses, this may affect the value. The directors estimate that the level of defaults on the Lease Receivables underlying the Loan would have to increase substantially from the level as at 31 December 2019 before the credit losses would exceed the amount of credit enhancement provided by the Seller.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at an unacceptably high cost. The Company's ability to meet payments on the Notes and Subordinated Loan as they fall due is dependent on timely receipt of funds which may be delayed due to slow repayment on the Lease Receivables underlying the Loan.

In the event that the Company has insufficient funds available to pay interest and/or principal on the Notes and Subordinated Loan, the Company, under certain conditions and to the extent funds are available, is obliged to draw on the Liquidity Reserve to meet its obligations to the Note holders.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

13. Financial instruments (continued)

Liquidity risk (continued)

The table below reflects the undiscounted contractual cash flows of financial liabilities at the statement of financial position date of both derivative and non-derivative financial instruments. The Notes and Subordinated Loan are repaid as and when there are sufficient proceeds from the Lease Receivables. The balances below are shown after 1 year but within 5 years.

	Carrying Value	**Gross cash flows**	**In less than 1 month**	**After 1 month but within 3 months**	**After 3 months but within 1 year**	**After 1 year but within 5 years**
As at 31 December 2019	£'000	£'000	£'000	£'000	£'000	£'000
Senior Notes	414,000	414,000	-	-	-	414,000
Interest on Senior Notes	185	50,575	693	1,364	6,333	42,185
Total non-derivative financial instruments	**414,185**	**464,575**	**693**	**1,364**	**6,333**	**456,185**
Derivative financial instruments:						
Interest rate swap contract	502	502	-	-	-	502
Total derivative financial instruments	**502**	**502**	**-**	**-**	**-**	**502**
Total as at 31 December 2019	**414,687**	**465,077**	**693**	**1,364**	**6,333**	**456,687**

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of the components of the Loan, Senior Facility (its principal assets and liabilities) are similar. Where this is not possible the Company uses derivative financial instruments to mitigate any residual interest rate risk. As such, no sensitivity analysis has been presented as any interest rate movement will be reflected in both the assets and liabilities.

At the period end the Company was party to an interest rate swap to hedge the interest rate on the variable rate Senior Notes.

As at 31 December 2019 the following rates were applicable:

	2019 £'000	Interest rates
Senior Notes	414,000	1 month LIBOR + 0.65%
Accrued interest	185	
	185	

Currency profile

All of the Company's financial assets and liabilities are denominated in sterling.

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

13. Financial instruments (continued)

Fair value of financial assets and liabilities

The fair value of the Senior facility is based on the current market spreads. Market prices of the Senior Facility depend on how the Lease Receivables are performing, therefore the fair value of the Loan has been calculated as being in line with the total fair value of the Senior Facility, after allowing for the impact of derivatives.

Due to the short term nature of prepayments and accrued income, other debtors and accruals their fair value is approximate to their carrying value.

At the period end the Company has an interest rate swap contract with total fair value of £502k to hedge the risk of fixed interest rates on the Lease Receivables. The fair values of such interest rate swap contracts are calculated by discounting future cash flows using appropriate and observable market data.

Financial instruments that are measured in the statement of financial position at fair value are required to be put into a fair value measurement hierarchy based on fair value measurement as detailed below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

The only financial instruments included in the Company's statement of financial position that are measured at fair value are derivative transactions. As the fair value of such derivatives is calculated by discounting future cash flows using appropriate and observable market data, these fall within level 3 in the hierarchy, being a balance guarantee swap.

	Fair value 2019 £'000
Liabilities	
Derivative financial instrument	501
	501

Notes forming part of the Financial Statements

For the period from 19 September 2018 (date of incorporation) to 31 December 2019 (continued)

14. Parent and ultimate controlling party

The entire issued share capital of the Company is held by Intertrust Corporate Services Limited ("ICSL"), a company incorporated in the United Kingdom and registered in England and Wales. ICSL holds the entire issued share capital in trust under a Share trust deed.

ICSL is a wholly owned subsidiary of Intertrust Management Limited.

The smallest set of accounts where the Company has been included in group financial statements is that of ALD International SAS & Co, a company registered in Germany. Copies of ALD International group financial statements can be obtained from Nedderfeld 95, 22529 Hamburg, Germany.

The Company's ultimate parent undertaking, controlling party and largest group of which the Company is a member is the Société Générale Group, a company registered in France. Copies of the Société Générale Group financial statements can be obtained from 29 Boulevard Haussmann, 75009 Paris or online at https://www.societegenerale.com.

15. Related party transactions

During the period fees of £54,915 were paid to Intertrust Management Limited in respect of corporate administration services provided to the Company. At the period-end corporate services fees of £Nil were accrued.

The balance of the portfolio of Lease Receivables purchased from ALD Automotive Limited is £599,999,957. Interest received during the period on the Lease Receivables and included within interest income amounted to £40,523,496.

ALD Automotive Limited subscribed to the full amount, £186,000,000, of the Junior Notes. Interest on these Junior Notes at the period end was accrued at 1.50%. During the period interest of £2,897,014 was incurred. At the period-end interest of £84,082 was accrued. The Junior Notes are incorporated within the Loan and are not accounted for as a separate financial instrument.

ALD Automotive Limited provided a Subordinated Loan to the Company to fund the Liquidity Reserve. The interest on the Subordinated Loan accrues at 2%. During the period, interest of £51,586 was incurred. At the period end- interest of £1,497 was accrued. The Subordinated Loan is incorporated within the Loan and is not accounted for as a separate financial instrument.

16. Post balance sheet date events

In early 2020 a new coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organisation (WHO). The unfolding COVID-19 pandemic crisis is affecting both economic and financial markets and there are numerous challenges associated with the economic conditions resulting from efforts to address it. These include increased financial market volatility, liquidity concerns and government intervention.

In line with the Financial Reporting Council guidance issued in March 2020, the directors consider the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event at 31 December 2019 on the basis that at that date a) the WHO had not declared it as pandemic; and b) there were no coronavirus cases in the UK at that stage. The directors have considered the potential impact of the pandemic when determining the severity and likelihood of downside scenarios within the Company's Going Concern assessment as detailed under note 2.1 and will continue to monitor these scenarios during the year.
There has been no other significant event since the year end and up to the date of signing this report that require disclosure in these financial statements.