

# **Lloyds Bank Property Company Limited**

## **Annual report and financial statements for the year ended 30 September 2023**

### **Registered office**

25 Gresham Street  
London  
EC2V 7HN

### **Registered number**

00747129

### **Current directors**

L F C Dorey  
P Clarke  
G A J Sharratt

### **Company Secretary**

A E Mulholland

Member of Lloyds Banking Group

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## Directors' report

For the year ended 30 September 2023

The Directors present their Annual report and audited financial statements of Lloyds Bank Property Company Limited ("the Company") for the year ended 30 September 2023.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and therefore does not include a Strategic report.

### General information

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales (registered number: 00747129).

The Company is a wholly owned subsidiary of Lloyds Bank Leasing Limited and part of Lloyds Banking Group ("the Group").

### Principal activity

The Company is non-trading and the principal activity of the Company is the management of financial assets and liabilities.

### Company performance

The results of the Company show a result after taxation of £nil (2022: £4,000 loss) for the year as set out in the Statement of comprehensive income on page 4.

The Company has shareholders' equity of £233,000 (2022: £2,135,000).

### Key performance indicators ("KPI"s)

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.

### 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 policies are contained within note 12 of the financial statements.

Other significant uncertainties are discussed in detail below.

### Long term impact of the United Kingdom's exit from the European Union

Uncertainties in respect of the medium to long-term implications of the United Kingdom's ("UK") exit from the European Union ("EU") on trade, regulation and employment continue to present risks. This includes impacts on supply chains, affordability of goods and services and UK demographics and prosperity. The Directors believe that there will be limited impact on the Company.

### Covid-19

The global pandemic created from the outbreak of Covid-19 continues to cause widespread disruption to global markets and normal patterns of business activity across the world, including in the UK. Measures taken to contain the health impacts of the Covid-19 pandemic are resulting in adverse impacts on economic activity across the world, and the duration for which such measures will remain in place is uncertain. The impact on the economy remains highly uncertain in both its depth and length, and may go beyond current forecasts of scale of loss of output and recession in the UK and globally. The Directors believe that there will be limited impact on the Company.

### Russian invasion of Ukraine

The Russian invasion of Ukraine, beginning in February 2022, has increased tensions between members of the North Atlantic Treaty Organisation (NATO) and Russia and caused sanctions to be imposed. This has created significant adverse economic effects on financial markets and on energy costs, and has resulted in increased cyber attacks and an increase in costs associated with such cyber attacks, all of which could have a materially adverse effect on the Group's results of operations, financial condition or prospects. The Group will continue to monitor the situation and risks to the business. The Directors believe that there will be limited impact on the Company.

### Future outlook

The Company is non-trading and the Directors have no intention of writing any new business. It is the intention of the Directors to initiate an orderly run down and place the Company into liquidation as soon as feasible.

## Directors' report (continued)

For the year ended 30 September 2023

### Dividends

An interim dividend of £1,902,000, representing a dividend of £19.02 per share, was declared and paid during the year ended 30 September 2023 (2022: £nil).

### 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 year and the approval of the Annual report and financial statements:

C G Dowsett	Resigned on 22 November 2023
P Clarke	Appointed on 24 January 2024
G A J Sharratt	Appointed on 24 January 2024
J R Turner	Resigned on 30 January 2024

No Director had any interest in any material contract or arrangement with the Company during or after the year end.

### Directors' indemnities

Lloyds Banking Group plc has granted to the Directors of the Company a deed of indemnity which constitutes '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 the Director who joined the board of the Company during the financial year. Directors no longer in office but who served on the Board of the Company at anytime in the financial year had the benefit of this deed of indemnity during that period of service. The Deed for existing Directors is 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.

### Going concern

As described in the future outlook section, the Company is no longer trading, the Directors do not intend to write any new business, and the intention of the Directors is to place the Company into liquidation as soon as feasible, therefore the financial statements have been prepared on a basis 'other than going concern'.

On preparing the financial statements on an 'other than going concern' basis the Directors are of the opinion that the carrying value of assets would be no different than if the financial statements were prepared on a 'going concern' basis.

### Events after the reporting date

There are no material events after the reporting date that requiring disclosure in these financial statements.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual report and 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 are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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;
- state whether the financial statements comply with international accounting standards in conformity with the requirements of the Companies Act 2006, 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. 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.

## **Directors' report (continued)**

**For the year ended 30 September 2023**

### **Statement of disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

### **Independent auditor**

Pursuant to section 487(2) of the Companies Act 2006, auditors duly appointed by the members of the Company shall, subject to any resolution to the contrary, be deemed to be re-appointed for the next financial year.

Deloitte LLP have expressed their willingness to continue in office and therefore will be deemed to be re-appointed.

Approved by the Board and signed on its behalf by



L F C Dorey  
Director  
13 March 2024

**Statement of comprehensive income**  
For the year ended 30 September 2023

	Note	2023 £'000	2022 £'000
Finance costs	4	-	(4)
<b>Result/(loss) before taxation</b>	<b>5</b>	<b>-</b>	<b>(4)</b>
Taxation	6	-	-
<b>Result/(loss) after tax and total comprehensive income</b>		<b>-</b>	<b>(4)</b>

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

## Balance sheet

As at 30 September 2023

	Note	2023 £'000	2022 £'000
<b>ASSETS</b>			
Cash and cash equivalents	7	233	2,135
<hr/>			
<b>Total assets</b>		<b>233</b>	<b>2,135</b>
<hr/>			
<b>EQUITY</b>			
Share capital	9	100	100
Retained earnings		133	2,035
<hr/>			
<b>Total equity</b>		<b>233</b>	<b>2,135</b>
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<b>Total equity and liabilities</b>		<b>233</b>	<b>2,135</b>

The Balance sheet has been arranged in order of liquidity.

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

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



**L F C Dorey**  
Director  
13 March 2024

**Statement of changes in equity**  
For the year ended 30 September 2023

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 October 2021		100	2,039	2,139
Comprehensive expense				
Loss for the year		-	(4)	(4)
<b>Total comprehensive expense</b>		-	(4)	(4)
Transactions with owners				
Dividends paid to shareholders		-	-	-
<b>Total transactions with owners</b>		-	-	-
Balance at 30 September 2022		100	2,035	2,135
Comprehensive income				
Result for the year		-	-	-
<b>Total comprehensive income</b>		-	-	-
Transactions with owners				
Dividends paid to shareholders		-	(1,902)	(1,902)
<b>Total transactions with owners</b>	8	-	(1,902)	(1,902)
Balance at 30 September 2023		100	133	233

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

## Cash flow statement

For the year ended 30 September 2023

	Note	2023 £'000	2022 £'000
Result/(loss) before taxation		-	(4)
Operating cashflows before movement in working capital		-	(4)
Decrease in Amounts due to group undertakings		-	(11)
Decrease in Trade and other payables			(417)
Cash used in operations		-	(432)
Tax paid		-	(34)
Net cash used in operating activities		-	(466)
Financing activities			
Dividends paid to shareholders	8	(1,902)	-
Net cash used in financing activities		(1,902)	-
Net decrease in Cash and cash equivalents		(1,902)	(466)
Cash and cash equivalents at beginning of year		2,135	2,601
Cash and cash equivalents at end of year	7	233	2,135
Cash and cash equivalents comprise			
Cash at bank	7	233	2,135
Cash and cash equivalents	7	233	2,135

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



## Notes to the financial statements

For the year ended 30 September 2023

### 1 Basis of preparation

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have also been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial information has been prepared under the historical cost convention.

In the preparation of these financial statements the Balance sheet has been arranged in order of liquidity.

No new IFRS pronouncements which have been adopted resulted in a material impact within these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 30 September 2023 and which have not been applied in preparing these financial statements are given in note 15. No standards have been early adopted.

The Company is no longer trading, the Directors do not intend to write any new business, and the intention of the Directors is to place the Company into liquidation as soon as feasible, therefore the financial statements have been prepared on a basis 'other than going concern'.

On preparing the financial statements on an 'other than going concern' basis the Directors are of the opinion that the carrying value of assets would be no different than if the financial statements were prepared on a 'going concern' basis.

### 2 Accounting policies

The Company's accounting policies are set out below. These accounting policies have been applied consistently.

#### 2.1 Income and expense recognition

##### Income and expense from financial instruments

Interest income and expense are recognised in the Income statement for all interest bearing financial instruments using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense to a period of account. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or financial liability.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised on the net lending balance using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

##### Finance costs

Interest expense for all interest bearing financial instruments is recognised in the Statement of comprehensive income as it accrues, within finance costs.

#### 2.2 Financial assets and liabilities

Financial assets comprise Cash and cash equivalents. There are no financial liabilities.

On initial recognition, financial assets are measured at fair value. These are subsequently classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, depending on the Company's business model for managing the financial assets and whether the cash flows represent solely payments of principal and interest. The Company assesses its business models at a portfolio level based on its objectives for the relevant portfolio, how the performance of the portfolio is managed and reported, and the frequency of asset sales. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

A reclassification will only take place when the change is significant to the Company's operations and will occur at a portfolio level and not for individual instruments; reclassifications are expected to be rare.

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Company has transferred its contractual right to receive the cash flows from the assets and either: substantially all of the risks and rewards of ownership have been transferred; or the Company has neither retained nor transferred substantially all of the risks and rewards, but has transferred control.

#### 2.3 Cash and cash equivalents

For the purposes of the Cash flow statement, Cash and cash equivalents comprise cash and amounts due from banks with original maturities of less than three months.

## Notes to the financial statements

For the year ended 30 September 2023

### 2 Accounting policies (continued)

#### 2.4 Taxation

Tax expense comprises current and deferred tax. Current and deferred tax are 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 Statement of comprehensive income (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 His Majesty's Revenue and Customs ("HMRC") or other 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.

#### 2.5 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

#### 2.6 Dividends

Dividends on ordinary shares are recognised as a reduction in equity in the period in which they are paid.

### 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

### 4 Finance costs

	2023 £'000	2022 £'000
Interest payable to other group companies	-	4

### 5 Result/(loss) before taxation

Fees payable to the Company's auditors for the audit of the financial statements of £6,900 (2022: £6,600) have been borne by the ultimate parent Company and are not recharged to the Company.

The Company does not have any employees for either period. All personnel who perform services on behalf of the Company are employed and remunerated by other group companies and none of these costs are recharged to the Company.

The Directors, who are considered to be key management, received no remuneration in respect of their services to the Company. The emoluments of the Directors are paid by a fellow Group undertaking on behalf of the ultimate parent, Lloyds Banking Group plc, which makes no recharge to the Company. The Directors are also Directors of a number of other subsidiaries of the Group and are also substantially engaged in managing their respective business areas within the Group. Given this, it is not possible to make an accurate apportionment of Directors' emoluments in respect of their services to each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of the Directors.

**Notes to the financial statements**  
For the year ended 30 September 2023

**6 Taxation**

	2023 £'000	2022 £'000
<b>a) Analysis of charge for the year</b>		
UK corporation tax:		
- Current tax payable on taxable profit for the year	-	-
<b>Current tax charge</b>	-	-
<b>Tax charge</b>	-	-

Corporation tax is calculated at a rate of 22% (2022: 19%) of the taxable profit for the year.

Finance Act 2021, which received Royal assent on 10 June 2021, increases the rate of corporation tax from 19% to 25% with effect from 1 April 2023.

**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:

	2023 £'000	2022 £'000
Result/(loss) before taxation	-	(4)
Tax charge thereon at UK corporation tax rate of 22% (2022: 19%)	-	1
Factors affecting charge:		
- Other items	-	(1)
<b>Tax</b>	-	-
<b>Effective rate</b>	<b>0.00%</b>	<b>0.00%</b>

**7 Cash and cash equivalents**

	2023 £'000	2022 £'000
Cash at bank	233	2,135
<b>Analysed as:</b>	<b>£'000</b>	<b>£'000</b>
Due within one year	233	2,135

Cash at bank is non-interest bearing and unsecured (note 10).

## Notes to the financial statements

For the year ended 30 September 2023

### 8 Dividends

	2023 £'000	2022 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 September 2023 of £19.02 (2022: £nil) per share	1,902	-

### 9 Share capital

	2023 £	2022 £
Authorised: 100,000 ordinary shares of £1 each		
Issued and fully paid: At 1 October 2022 and 30 September 2023 100,000 ordinary shares of £1 each	100,000	100,000

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

### 10 Related party transactions

The Company's related parties include other companies in the Group and the Company's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's directors, who are listed on the cover of these financial statements.

A summary of the outstanding balances at the year end and the related income and expense for the year are set out below.

Cash and cash equivalents		2023 £'000	2022 £'000
Nature of transaction	Related party	Interest rate	
Cash at bank (note 7)	Lloyds Bank plc	N/A	
		233	2,135

Finance costs		2023 £'000	2022 £'000
Nature of transaction	Related party	Interest rate	
Interest payable to other group companies	Lloyds Bank plc	N/A	
		-	4

Dividends		2023 £'000	2022 £'000
Nature of transaction	Related party		
Dividends paid (note 8)	Lloyds Bank Leasing Limited	1,902	-

There were no credit losses or bad debt expenses relating to the above balances incurred during the current or prior year.

The registered office of related parties are noted below:

The company paid taxation of £nil (2022: £34,000) during the year to fellow subsidiary undertaking.

Related party	Related party relationship	Registered address
Bank of Scotland plc	Fellow group company	The Mound, Edinburgh, EH1 1YZ
Lloyds Bank Leasing Limited	Immediate parent company	25 Gresham Street, London, EC2V 7HN
Lloyds Bank plc	Intermediate parent company	25 Gresham Street, London, EC2V 7HN
Lloyds Banking Group plc	Ultimate parent company	The Mound, Edinburgh, EH1 1YZ

## Notes to the financial statements

For the year ended 30 September 2023

### 11 Ultimate parent undertaking and controlling party

The Company's immediate parent company is Lloyds Bank Leasing Limited. The company regarded by the directors as the ultimate parent company and ultimate controlling party is Lloyds Banking Group plc, a limited liability company incorporated and domiciled 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 company 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/investors/financial-downloads.html](http://www.lloydsbankinggroup.com/investors/financial-downloads.html).

### 12 Financial risk management

The Company's operations expose it to credit risk, liquidity risk and market risk (including: interest rate risk and foreign exchange risk). Responsibility for the control of overall risk lies with the board of directors, operating within a management framework established by Lloyds Banking Group, and the ultimate parent, Lloyds Banking Group plc.

#### 12.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

##### Maximum credit exposure

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below and equates to carrying value.

	2023 £'000	2022 £'000
Cash and cash equivalents	233	2,135

The credit risk associated with Cash and cash equivalents is not considered significant as these are held with other companies within the Group.

#### 12.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company has no exposure to liquidity risk.

#### 12.3 Market risk

Market risk is the risk of financial loss from changes in market prices of financial assets and liabilities, typically from changes and volatility in interest rates (note 12.4) and foreign exchange rates (note 12.5).

#### 12.4 Interest rate risk

Interest rate risk is the risk that the future cash flows and fair values of a financial instrument may fluctuate because of changes in market interest rates.

The Company has no exposure to variable rate financial assets and liabilities.

#### 12.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's transactions are all denominated in pounds sterling and as such the Company has no exposure to foreign currency risk.

## Notes to the financial statements

For the year ended 30 September 2023

### 12 Financial risk management (continued)

#### 12.6 Fair values of financial assets and liabilities

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date.*

##### Financial assets and liabilities carried at fair value

There are no financial assets or financial liabilities carried at fair value in the current or prior year.

##### Financial assets and liabilities carried at amortised cost

Cash and cash equivalents is held at amortised cost.

The directors consider that there are no significant differences between the carrying amounts shown in the Balance sheet and the fair value of all other financial assets and liabilities, due to their short term nature.

#### 12.7 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, provide an adequate return to its shareholder 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 makes 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 Company's parent may adjust the amount of dividends to be paid to the shareholder, return capital to the shareholder, issue new shares, or enter into debt financing. The Company's parent can also request the Company to pay dividends or make a capital contribution in order to maintain or adjust the Group's capital structure.

The Company's capital comprises all components of equity, movements in which appear in the Statement of changes in equity.

### 13 Contingent liability

The Group has an open matter in relation to a claim for group relief of losses incurred in its former Irish banking subsidiary, which ceased trading on 31 December 2010. In 2013, HMRC informed the Group that its interpretation of the UK rules means that the group relief is not available. In 2020, HMRC concluded their enquiry into the matter and issued a closure notice. The Group's interpretation of the rules has not changed and, following an appeal to the First Tier Tax Tribunal, a hearing was held in May 2023 with judgement awaited. If the final determination of the matter by the judicial process is that HMRC's position is correct, management estimate that this would result in an increase in current tax liabilities for the company of approximately £66,000 (including interest). The Group, having taken appropriate advice, does not consider that this is a case where additional tax will ultimately fall due.

### 14 Post balance sheet events

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

### 15 Future developments

The following pronouncement is not applicable for the year ending 30 September 2023 and has not been applied in preparing these financial statements. Save as disclosed below, the impact of this accounting change is still being assessed by the Company and reliable estimates cannot be made at this stage.

With the exception of certain minor amendments, as at 30 September 2023 this pronouncement has been endorsed for use in the United Kingdom.

##### Minor amendments to other accounting standards

The IASB has issued a number of minor amendments to IFRSs effective 1 January 2023 and in later years (including IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors).

This amendment is not expected to have a significant impact on the Company.

## **Independent auditor's report to the members of Lloyds Bank Property Company Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Lloyds Bank Property Company Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as of 30 September 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

#### **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.

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 Financial Reporting Council's (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- Financial statement prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter

## **Independent auditor's report to the members of Lloyds Bank Property Company Limited (Continued)**

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **Independent auditor's report to the members of Lloyds Bank Property Company Limited (Continued)**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud.**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This UK Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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 any material misstatements in the directors' report.

**Independent auditor's report to the members of Lloyds Bank Property Company Limited**  
**(Continued)**

**Matters on which we are required to report by exception.**

Under the Companies Act 2006 we are required to report in respect of the following matters 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;
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**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.



Paul Cowley (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
13 March 2024