

# Heidi Finance Holdings (UK) Limited

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

### Registered office

25 Gresham Street  
London  
EC2V 7HN

### Registered number

01212279

### Current directors

J McCaffrey  
L Pamma  
M D Whytock

### Company Secretary

D D Hennessey



Member of Lloyds Banking Group

## Directors' report

For the year ended 31 December 2019

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

### General information

The Company is a private limited company, incorporated in the United Kingdom, registered in England and Wales and domiciled in England (registered number: 01212279).

The Company holds an investment in an associate undertaking, Hyundai Car Finance Limited (wholly owned by Lloyds Banking Group ("the Group")), which it carries at historic cost. The Company is also an intermediary party to a legal agreement between Hyundai Motor UK Limited and Hyundai Car Finance Limited under which the Company previously paid commissions. No payments have been made since the cessation of new business<sup>1</sup> in 2011.

During 2019 the Company settled its intercompany liabilities. It also impaired the carrying value of its investment in Hyundai Car Finance Limited.

The Company is funded entirely by other companies within the Group.

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Retail Division, which is part of the Lloyds Banking Group (the "Group"). The Retail Division is a portfolio of businesses and operates in a number of specialist markets providing consumer lending and contract hire to personal and corporate customers. Further details of risk management policies are contained in note 12 to the financial statements.

### Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### Future outlook

Business with Hyundai Motor UK Limited ceased at the end of 2011 and since then no further fee expense or associated fee income relating to new business generated by Hyundai Car Finance Limited has been recognised in the financial statements. The directors aim to liquidate the Company in the next 12 months.

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

### Post balance sheet event

On January 30, 2020, the World Health Organisation declared Covid-19 to be a public health emergency and a pandemic on 11 March 2020. Given the circumstances and information that was available as at 31 December 2019, the resulting impact of Covid-19 has been assessed by the directors to be a non-adjusting post balance sheet event.

The directors have considered the actual and potential impacts of Covid-19 and the UK government's responses to the pandemic on the activities of the Company and concluded that there will be no significant impact for the Company.

### Dividends

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

### Going concern

The directors have decided to liquidate the Company and it is expected that the Company will be liquidated within the next 12 months. Therefore the accounts have been prepared on a break up basis.

### Directors

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

There have been no changes to directors between the beginning of the reporting period and the approval of the Annual report and financial statements.

<sup>1</sup> Heidi Finance Holdings (UK) Limited (registered number: 01212279)

## Directors' report (continued)

For the year ended 31 December 2019

### Directors' indemnities

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

### Statement of directors' responsibilities

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Independent auditors and disclosure of information to auditors

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

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

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

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

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



M D Whytock  
Director

11 June 2020

## Statement of comprehensive income

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Impairment loss on Investment in associate undertaking	8	(5)	-
<hr/>			
(Loss)/result before tax		(5)	-
Taxation	6	-	-
<hr/>			
(Loss)/result for the year, being total comprehensive (expense)/income		(5)	-

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

## Balance sheet

As at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>ASSETS</b>			
Trade and other receivables	7	299	10,109
Investment in associate undertaking	8	-	5
<b>Total assets</b>		<b>299</b>	<b>10,114</b>
<b>LIABILITIES</b>			
Borrowed funds	9	-	9,810
<b>Total liabilities</b>		<b>-</b>	<b>9,810</b>
<b>EQUITY</b>			
Share capital	10	200	200
Retained earnings		99	104
<b>Total equity</b>		<b>299</b>	<b>304</b>
<b>Total equity and liabilities</b>		<b>299</b>	<b>10,114</b>

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

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



M D Whytock  
Director

11 June 2020

## Statement of changes in equity

For the year ended 31 December 2019

	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>At 1 January 2018</b>	200	104	304
Result for the year being total comprehensive income	-	-	-
<b>At 31 December 2018</b>	200	104	304
Loss for the year being total comprehensive expense	-	(5)	(5)
<b>At 31 December 2019</b>	200	99	299

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

## Cash flow statement

For the year ended 31 December 2019

	2019 £'000	2018 £'000
<b>Cash flows generated from operating activities</b>		
(Loss)/result before tax	(5)	-
Adjustments for:		
- Impairment of Investment in associate undertaking	5	-
<b>Net cash generated from operating activities</b>	-	-
<b>Cash flows generated from financing activities</b>		
Proceeds from lending to group undertakings	9,810	-
Repayment in lending to group undertakings	(9,810)	-
<b>Net cash generated from financing activities</b>	-	-
<b>Change in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	-	-
<b>Cash and cash equivalents at end of year</b>	-	-

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

## Notes to the financial statements

For the year ended 31 December 2019

### 1. Accounting policies

#### 1.1 Basis of preparation

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

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

There are no new pronouncements relevant to the Company requiring adoption in these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2019 and which have not been applied in preparing these financial statements are given in note 16. No standards have been early adopted.

The financial statements have been prepared on a break up basis as the directors expect to liquidate the Company within the next 12 months. There would be no difference to asset values between a break up basis and a going concern basis under the historical cost convention.

#### 1.2 Financial assets and liabilities

Financial assets comprise Amounts due from group undertakings. Financial liabilities comprise Amounts due to group undertakings.

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

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognised when the rights to receive cash flows, or obligations to pay cash flows, have expired. Interest bearing financial assets and financial liabilities are recognised and measured at amortised cost inclusive of transaction costs, using the effective interest rate method.

#### 1.3 Investment in associated undertaking

Associates are entities over which the Company has significant influence but not control. The investment in associate undertaking is stated at cost less any provision for impairment.

Investment in associate undertaking is reviewed for impairment losses at the end of each period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of comprehensive income for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net realisable value and value in use.

#### 1.4 Taxation

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

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

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by Her Majesty's Revenue and Customs ("HMRC") or another 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.



## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 2. Critical accounting estimates and judgements in applying accounting policies

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

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

### 3. Other operating expenses

Fees payable to the Company's auditors for the audit of the financial statements of £1,000 (2018: £nil) have been borne by a fellow group company and are not recharged to the Company. Accounting and administration services are provided by a fellow group undertaking and are not recharged to the Company.

### 4. Staff costs

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

### 5. Directors' emoluments

No director received any fees or emoluments from the Company during the year (2018: £nil). The directors are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities within the Group (see also note 11).

### 6. Taxation

	2019 £'000	2018 £'000
<b>Analysis of credit for the year</b>		
UK corporation tax:		
- Current tax on taxable (loss)/result for the year	-	-
<hr/>		
Corporation tax is calculated at a rate of 19.00% (2018: 19.00%) of the taxable (loss)/result for the year.		
<b>b) Factors affecting the tax credit for the year</b>		
A reconciliation of the credit that would result from applying the standard UK corporation tax rate to the (loss)/result before tax to the actual tax credit for the year is given below:		
	2019 £'000	2018 £'000
(Loss)/result before tax	(5)	-
Tax credit thereon at UK corporation tax rate of 19.00% (2018: 19.00%)	(1)	-
Factors affecting credit:		
Other	1	-
<hr/>		
Tax charge on (loss)/result on ordinary activities	-	-
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Effective rate	0.00%	0.00%

### 7. Trade and other receivables

	2019 £'000	2018 £'000
Amounts due from group undertakings (see note 11)	299	10,109

Amounts due from other group undertakings is non-interest bearing and repayable on demand. All Amounts due from group undertakings are included within stage 1 for IFRS 9 purposes. The ECL is £nil.

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 8. Investment in associate undertaking

	2019 £'000	2018 £'000
<b>Cost</b>		
Cost at 1 January and 31 December	5	5
<b>Provision for impairment</b>		
Provision at 1 January	-	-
Charge for the year	(5)	-
Provision at 31 December	(5)	-
<b>Carrying value of investments at 31 December</b>	-	5

The Company's investment in its associated undertaking, Hyundai Car Finance Limited; the company has an accounting reference date of 31 December and is a limited company incorporated and domiciled in England and Wales.

Associate undertaking	Company interest	Principal activities	Registered address
Hyundai Car Finance Limited	49.99%	Financial services	St William House, Tresillian Terrace, Cardiff, United Kingdom, CF10 5BH

### 9. Borrowed funds

	2019 £'000	2018 £'000
Amounts due to group undertakings (see note 11)	-	9,810

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

### 10. Share capital

	2019 £'000	2018 £'000
<b>Allotted, issued and fully paid</b>		
200,000 ordinary shares of £1 each	200	200

### 11. Related party transactions

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

	2019 £'000	2018 £'000
<b>Amounts due from group undertakings</b>		
Black Horse Limited	299	-
Hyundai Car Finance Limited	-	319
Lloyds Bank plc	-	9,790
<b>Total Amounts due from group undertakings (see note 7)</b>	<b>299</b>	<b>10,109</b>

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 11. Related party transactions (continued)

	2019 £'000	2018 £'000
<b>Amounts due to group undertakings</b>		
Black Horse Group Limited	-	9,790
Black Horse Limited	-	20
<b>Total Amounts due to group undertakings (see note 9)</b>	-	9,810

The above balances are unsecured in nature and are expected to be settled in cash or by cash equivalents.

#### Key management personnel

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

### 12. Financial risk management

The Company's operations do not expose the Company to any significant credit risk, liquidity risk, interest rate risk, business risk, market 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 the Retail Finance Division, and the ultimate parent, Lloyds Banking Group plc.

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

#### 12.1 Financial strategy

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

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

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

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

### 13. Capital disclosures

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

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

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

## Notes to the financial statements (continued)

For the year ended 31 December 2019

### 14. Contingent liabilities and capital commitments

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

### 15. Post balance sheet events

On January 30, 2020, the World Health Organisation declared Covid-19 to be a public health emergency and a pandemic on 11 March 2020. Given the circumstances and information that was available as at 31 December 2019, the resulting impact of Covid-19 has been assessed by the directors to be a non-adjusting post balance sheet event.

The directors have considered the actual and potential impacts of Covid-19 and the UK government's responses to the pandemic on the activities of the Company and concluded that there will be no significant impact for the Company.

### 16. Future developments

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

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

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

### 17. Ultimate parent undertaking and controlling party

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

# **Independent Auditors' report to the member of Heidi Finance Holdings (UK) Limited**

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

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### **Opinion**

In our opinion, Heidi Finance Holdings (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

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

### *Independence*

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

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

### *Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

# **Independent Auditors' report to the member of Heidi Finance Holdings (UK) Limited (continued)**

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

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

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

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

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### **Other matter**

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



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

11 June 2020