

# **Halifax Mortgage Services (Holdings) Limited**

Annual report and accounts  
for the year ended 31 December 2016

**Registered office**

Trinity Road  
Halifax  
West Yorkshire  
HX1 2RG

**Registered number**

01780924

**Current directors**

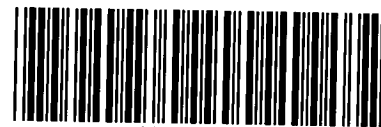
M S Dolman

**Company Secretary**

Lloyds Secretaries Limited

Member of Lloyds Banking Group

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## Directors' report

For the year ended 31 December 2016

### Principal activities and business review

Halifax Mortgage Services (Holdings) Limited ("the Company") is a limited company incorporated and domiciled in England and Wales (registered number: 01780924).

During the year ended 31 December 2016 the Company did not trade or incur any liabilities and consequently has made neither profit nor loss.

In the prior year, the directors approved a resolution to reduce the share capital of the Company. This share capital reduction was completed by the cancellation of 30,102,203 ordinary shares of £1 each. The Company also cancelled its Share premium account, in full, to the amount of £883,000.

### Directors

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

The following change has taken place during the year or since the year end:

I G Stewart (resigned 9 December 2016)

### Directors' indemnities

Lloyds Banking Group plc ("the Group") 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.



M S Dolman  
Director

14 AUGUST 2017

## Balance sheet

As at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>ASSETS</b>			
Cash and cash equivalents		3	3
Other current assets	5	20	20
Investment in subsidiary undertakings	6	15,417	15,417
<hr/>			
<b>Total assets</b>		<b>15,440</b>	<b>15,440</b>
<hr/>			
<b>EQUITY</b>			
Share capital	7	-	-
Retained earnings		15,440	15,440
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<b>Total equity</b>		<b>15,440</b>	<b>15,440</b>

For the year ended 31 December 2016, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

- The member has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts.

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



M S Dolman  
Director

14 AUGUST 2017

## Statement of changes in equity

For the year ended 31 December 2016

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2015</b>	30,102	883	6,179	37,164
Result for the year being total comprehensive income	-	-	-	-
Cancellation of 30,102,203 shares at par value	(30,102)	-	30,102	-
Cancellation of Share premium account	-	(883)	883	-
Dividend paid to equity holders of the Company	-	-	(21,724)	(21,724)
Result for the year being total comprehensive income	-	-	-	-
<b>At 31 December 2015</b>	-	-	15,440	15,440
Result for the year being total comprehensive income	-	-	-	-
<b>At 31 December 2016</b>	-	-	15,440	15,440

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

## Cash flow statement

For the year ended 31 December 2016

	2016 £'000	2015 £'000
<b>Cash flows generated from operating activities</b>		
Result before tax	-	-
Adjustments for:		
Decrease in Amounts due from group undertakings	-	21,724
<b>Net cash generated from operating activities</b>	-	21,724
<b>Cash flows used in financing activities</b>		
Dividends paid	-	(21,724)
<b>Net cash used in financing activities</b>	-	(21,724)
<b>Change in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	3	3
<b>Cash and cash equivalents at end of year</b>	3	3

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 2016

## 1. Accounting policies

### 1.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. The financial statements have been prepared under the historical cost convention, in compliance with the requirements of the Companies Act 2006 and in accordance with applicable International Financial Reporting Standards (IFRS). There are no accounting policies where the use of assumptions and estimates are determined to be significant to the financial statements.

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

### 1.2 Dividends

Dividends are recognised in the period in which they are declared.

### 1.3 Financial assets

Financial assets comprise Amounts due from group undertakings.

All financial assets are stated at amortised cost.

### 1.4 Cash and cash equivalents

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

### 1.5 Investment in subsidiary undertakings

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

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

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

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

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

## 3. Other operating expenses

Fees payable to the Company's auditors for the audit of the financial statements of £nil (2014: £4,000) 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. Dividends

	2016 £'000	2015 £'000
<b>Equity - ordinary</b>		
Final paid: £nil (2015: £21,724,000) per £1 share	-	21,724

## Notes to the financial statements (continued)

For the year ended 31 December 2016

### 5. Other current assets

	2016 £'000	2015 £'000
<b>Amounts due from group undertakings</b>		
Halifax Loans Limited	20	20

Amounts due from group undertakings are non-interest bearing and repayable on demand. The fair value of Amounts due from other group undertakings is equal to its carrying amount. No provisions are recognised in respect of Amounts due from other group undertakings.

### 6. Investment in subsidiary undertakings

	2016 Total £'000	2015 Total £'000
<b>Cost</b>		
At 1 January and 31 December	24,087	24,087
<b>Provision for impairment</b>		
At 1 January and 31 December	(8,670)	(8,670)
<b>Carrying value of investments at 31 December</b>	<b>15,417</b>	<b>15,417</b>

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

The subsidiary undertaking at 31 December 2016 and 31 December 2015, listed below, is incorporated in England and

Subsidiary undertakings	Company	Principal activities
Halifax Mortgage Services Limited	100.00%	Dormant

The Company's interest in this entity is in the form of ordinary share capital.

### 7. Share capital

	2016 £'000	2015 £'000
<b>Allotted, issued and fully paid</b>		
1 ordinary share of £1 each	-	-

### 8. Related party transactions

The immediate parent company is Halifax Loans 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. Bank of Scotland 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 Company's related parties include other companies in the Lloyds Banking Group, pension schemes of the Company's ultimate parent company 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.

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 in the Lloyds Banking Group and consider that their services to the Company are incidental to their other activities within the Group.