

Lloyds Investment Securities No.5 Limited

Annual report and financial statements
for the year ended 31 December 2020

Registered office

25 Gresham Street
London
EC2V 7HN

Registered number

02930810

Board of Directors

C G Dowsett
K Turner
J R Turner

Company Secretary

Lloyds Secretaries Limited



Directors' report

For the year ended 31 December 2020

The Directors present their Annual report and financial statements of Lloyds Investment Securities No.5 Limited (the 'Company') for the year ended 31 December 2020.

The Company was dormant during the year and has taken advantage of the exemption from audit under section 480 of the Companies Act (the "Act") relating to dormant companies.

General information

The Company is a limited company, incorporated and domiciled in England and Wales (registered number: 02930810).

Review of business

During the year ended 31 December 2020 the Company did not trade or incur any liabilities and consequently has made neither profit nor loss.

The Company has shareholders' equity of £94,000 (2019: £94,000)

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

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 year and the approval of the Annual report and financial statements.

No director had any interest in any material contract or arrangement with the Company during or at the end of the year.

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 directors 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 any time in the financial year had the benefit of this deed of indemnity during that period of service. The indemnity remains in force for the duration of a director's period of office. The deed indemnifies the directors to the maximum extent permitted by law. 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.

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



C G Dowsett
Director
29 March 2021

Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Investment income	3	-	10,800
		-	10,800
Impairment of investments	6	-	(10,800)
Result before taxation	4	-	-
Taxation	5	-	-
Result after taxation and total comprehensive income for the year		-	-

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

Balance sheet

As at 31 December 2020

	Note	2020 £'000	2019 £'000
ASSETS			
Amounts due from group undertakings	7	84	84
Investment in subsidiary undertakings	6	10	10
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Total assets		94	94
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EQUITY			
Share capital	9	10	10
Retained earnings		84	84
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Total equity		94	94
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Total equity and liabilities		94	94

For the year ended 31 December 2020, the Company was entitled to exemption from audit under section 480 of the Companies Act (the "Act") relating to dormant companies.

Directors' responsibilities:

- 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 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:



C G Dowsett
Director
29 March 2021

Statement of changes in equity

For the year ended 31 December 2020

	Share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 January 2019	10	6,184	6,194
Comprehensive income			
Result for the year	-	-	-
Total comprehensive income	-	-	-
Transactions with owners			
Dividends	-	(6,100)	(6,100)
Total transactions with owners	-	(6,100)	(6,100)
Balance at 31 December 2019	10	84	94
Comprehensive income			
Result for the year	-	-	-
Total comprehensive income	-	-	-
At 31 December 2020	10	84	94

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

Cash flow statement

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows generated from operating activities			
Result before taxation		-	-
Adjustments for:			
- Impairment charge		-	10,800
Cash generated from operations		-	10,800
Taxation paid		-	-
Net cash generated from operating activities		-	10,800
Cash flows used in financing activities			
Dividends paid		-	(6,100)
Net cash generated used in financing activities		-	(6,100)
Change in Cash and cash equivalents		-	4,700
Cash and cash equivalents at beginning of year		84	(4,616)
Cash and cash equivalents at end of year		84	84
Cash and cash equivalents are comprised of:			
Cash at bank	7	84	84
Cash and cash equivalents		84	84

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

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable IFRSs in conformity with the requirements of the Companies Act 2006. 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.

1.2 Financial assets and liabilities

Management determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets comprise Amounts due from group undertakings. The Company has no financial liabilities.

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Group 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 Group has neither retained nor transferred substantially all of the risks and rewards, but has transferred control.

1.3 Investments

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 Income statement 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

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, there are no critical judgements nor have any critical accounting estimates been made in the process of applying the Company's accounting policies.

3. Investment income

	2020 £'000	2019 £'000
Dividends received from subsidiary undertaking	-	10,800
	-	10,800

Notes to the financial statements (continued)

For the year ended 31 December 2020

4. Result before taxation

In the prior year, fees payable to the Company's auditors for the audit of the financial statements of £4,500 were borne by the ultimate parent Company and were not recharged to the Company.

The Company has no employees (2019: nil).

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.

5. Taxation

	2020 £'000	2019 £'000
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a) Analysis of credit for the year

UK corporation tax:

- Current tax on taxable result for the year	-	-
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Current tax credit	-	-
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Corporation tax is calculated at a rate of 19.00% (2019:19.00%) of the taxable result for the year.

b) Factors affecting the tax credit for the year

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

	2020 £'000	2019 £'000
Result before tax	-	-
Tax credit thereon at UK corporation tax rate of 19.00% (2019:19.00%)	-	-
Factors affecting credit:		
- Disallowed items	-	(2,052)
- Non taxable items	-	2,052
Total tax credit	-	-
Effective rate	0.00%	0.00%

6. Investment in subsidiary undertakings

	2020 £'000	2019 £'000
At beginning of year	10	10,810
Impairment	-	(10,800)
At end of year	10	10

Notes to the financial statements (continued)

For the year ended 31 December 2020

6. Investment in subsidiary undertakings (continued)

The principal subsidiary undertakings of the Company all of which are registered in England and Wales, are:

<u>Company name</u>	<u>Ownership & Voting</u>	<u>Accounting reference date</u>	<u>Nature of business</u>
St Mary's Court Investments	100	31 October 2020	Holding company
Caveminster Limited	100	28 October 2020	Cash management

Caveminster Limited is a wholly owned subsidiary of St Mary's Court Investments.

Unquoted equity investments represent the Company's investment in unlisted entities, being a 100% interest in St Mary's Court Investments. St Mary's Court Investments' assets stand at £10,000 and liabilities of £nil.

The results of the subsidiary undertakings are consolidated in the Group financial statements for Lloyds Banking Group plc which has a financial year end of 31 December 2020.

The financial statements contain information about Lloyds Investment Securities No.5 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Lloyds Banking Group plc.

7. Amounts due from group undertakings

	2020 £'000	2019 £'000
Cash at bank	84	84
	84	84

Cash at bank of £84,000 (2019: £84,000) is unsecured, non interest bearing and repayable on demand. For further details, please refer to note 10.

8. Dividends

	2020 £'000	2019 £'000
Dividends paid	-	6,100
	-	6,100

No dividends were paid or proposed during the year ended 31 December 2020 (2019: £6,100,000).

Notes to the financial statements (continued)

For the year ended 31 December 2020

9. Share capital

	2020 £'000	2019 £'000
Allotted, issued and fully paid		
10,000 (2019: 10,000) ordinary shares of £1 each	10	10

10. Related party transactions

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 group financial statements may be downloaded via www.lloydsbankinggroup.com.

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 are set out below.

				2020	2019
				£'000	£'000
Amounts due from group undertakings					
Nature of transaction	Related	Repayment	Interest		
Cash at bank	Lloyds Bank	No fixed date	N/A	84	84
Total amounts due from group undertakings (note 6)				84	84

	2020 £'000	2019 £'000
Investment income	Related party	
Dividends received from subsidiary undertaking	St. Mary's Court Investments	- 10,800

There were no doubtful debts or bad debt expenses relating to the above balances incurred during the year.

The Company did not pay a dividend to a fellow group company (2019: paid £6,100,000 to its immediate parent company).

The registered offices of related parties are noted below:

Related party	Related party relationship	Registered address
Lloyds Bank plc	Intermediate parent company	25 Gresham Street, London EC2V 7HN
St. Mary's Court Investments	Subsidiary	25 Gresham Street, London EC2V 7HN

10. Financial risk management

Responsibility for the control of overall risk lies with the board of directors, operating within a management framework established by the Commercial Banking Division, and the ultimate parent, Lloyds Banking Group plc. As the Company is not trading and given the nature of the Company's position at the year end, the directors do not consider that there are any risks or uncertainties which affect the Company.