

VEHICLE LEASING (1) LIMITED

Directors' report and financial statements

For the year ended 31 March 2016

Registered number: 02953304

Registered Office:

Charterhall House
Charterhall Drive
Chester
Cheshire
CH88 3AN

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Vehicle Leasing (1) Limited

Directors' report and financial statements

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Vehicle Leasing (1) Limited

Directors and company information

Directors

D C Stansfield

J S Roberts

Company secretary

D D Hennessey

Vehicle Leasing (1) Limited

Directors' report for the year ended 31 March 2016

The directors present their report for the year ended 31 March 2016.

Principal activities and business review

The principal activity of the Company is vehicle leasing. During the year ended 31 March 2016 the Company did not trade or incur any liabilities and consequently has made neither profit nor loss.

Directors

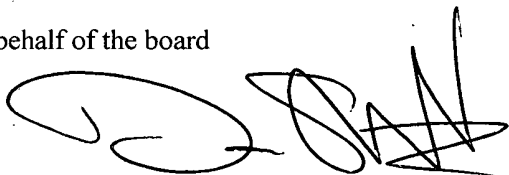
The directors who held office at the date of signing the financial statements are shown on page 1. The following directors were appointed or resigned during the year or after the year end:

R G C Hanrahan	Resigned 06 August 2015
D C Stansfield	Appointed 07 August 2015
S Cargill	Resigned 04 March 2016
J S Roberts	Appointed 26 August 2016

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, or from the date of appointment in respect of the Directors who joined the Board of the Company during the financial year, and at the date of approval of the financial statements. 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 contract 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 the 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.

On behalf of the board



D C Stansfield
Director

Date: 4/10/16

Registered Office:

Charterhall House
Charterhall Drive
Chester
Cheshire
CH88 3AN

Vehicle Leasing (1) Limited

Balance sheet

as at 31 March 2016

	Note	2016 £000	2015 £000
Assets			
Current assets			
Trade and other receivables	4	36,720	36,720
Total current assets		<u>36,720</u>	<u>36,720</u>
Total assets		<u>36,720</u>	<u>36,720</u>
Equity			
Share capital	5	-	-
Retained earnings		36,720	36,720
Total equity		<u>36,720</u>	<u>36,720</u>

For the year ended 31 March 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 (the "Act") relating to dormant companies.

Directors' responsibilities:

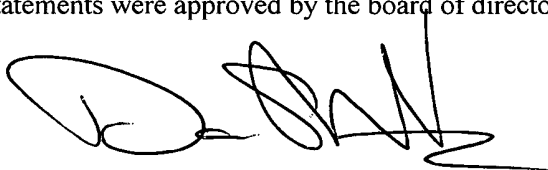
- The member has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and

- 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 on pages 4 to 7 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:

D C Stansfield
Director



Date: 4/10/16

Vehicle Leasing (1) Limited

Notes to the financial statements

for the year ended 31 March 2016

1. Significant accounting policies

Vehicle Leasing (1) Limited ("the Company") is a limited company incorporated and domiciled in England and Wales.

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 to 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 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.

A statement of comprehensive income, a statement of changes in equity and a cash flow statement have not been presented in these financial statements as these would show £nil amounts for the current and preceding financial years. The financial statements have been prepared under the historical cost convention.

Going concern

The directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to receive funding in the future and, accordingly, the financial statements have been prepared on a going concern basis.

Financial assets and liabilities

Financial assets of the Company include amounts due from other group companies. All financial assets are initially measured at fair value.

Taxation

Current income tax which is payable on taxable profits is recognised as an expense in the year in which the profits arise.

2. Risk management policy

The Company's operations do not expose it to any significant credit risk, liquidity risk, interest rate risk, market risk, foreign exchange risk or business risk. Responsibility for the control of overall risk lies with the board of directors, operating within a management framework established by a fellow subsidiary company, Lloyds Bank Asset Finance Limited, and the ultimate parent, Lloyds Banking Group plc.

Vehicle Leasing (1) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2016

3. Result before taxation

Due to the Company being dormant, the Company was not audited for the current or prior year end. Accounting and administration services are provided by a fellow group undertaking and are not recharged to the Company.

The Company did not directly employ any person during the year (2015: none). No director received any fees or emoluments during the year (2015: £nil). The directors are employed by other companies within Lloyds Banking Group plc and consider that their services to the Company are incidental to their other responsibilities within the Group.

4. Trade and other receivables

	2016 £000	2015 £000
Current trade and other receivables:		
Amounts due from group companies (note 7)	36,720	36,720
	<hr/>	<hr/>

5. Share capital

	2016 £	2015 £
<i>Allotted, issued and fully paid</i>		
2 (2015: 2) Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

6. Parent undertaking

The Company's immediate parent company is Lex Vehicle Leasing (Holdings) Limited. The company regarded by the directors as the ultimate parent company and controlling party is Lloyds Banking Group plc, a 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.

Bank of Scotland plc is the parent undertaking of the smallest such group of undertakings. Copies of the group financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN.

Vehicle Leasing (1) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2016

7. Related party transactions

Transactions with group companies

Balances outstanding at the year end with group companies are as follows:

	Debtor 2016 £000	Debtor 2015 £000
Amounts due from group undertakings		
Immediate parent company	36,720	36,720
	<hr/>	<hr/>

Transactions with directors and key managers

No remuneration was paid or is payable by the Company to the directors (2015: £nil). The directors are employed by other companies within Lloyds Banking Group plc and consider that their duties to this Company are incidental to their other activities within the Group.

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the Company. Accordingly, key management personnel comprise the directors of the Company and the members of the Lloyds Bank Asset Finance Limited Board, which comprise the statutory directors of that company and certain other senior management. Key management personnel are employed by other companies within the Lloyds Bank Asset Finance Limited sub group and consider that their services to the Company are incidental to their activities within the Group.

UK Government

In January 2009, the UK Government through HM Treasury became a related party of Lloyds Banking Group plc, the Company's ultimate parent company, following its subscription for ordinary shares issued under a placing and open offer. HM Treasury's interest fell below 20% on 11 May 2015. As a consequence, HM Treasury is no longer considered to have a significant influence and ceased to be a related party of the Company for IAS 24 Related Party Disclosures purposes at that date.

8. 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 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 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 the shareholder, return capital to the shareholder, issue new shares, or sell assets.

The Company's capital comprises all components of equity. The Company receives its funding requirements from its fellow group undertakings and does not raise funding externally.

Vehicle Leasing (1) Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2016

9. Contingent liabilities and capital commitments

There were no contracted capital commitments at the balance sheet date (2015: £nil).

The Company provides for potential tax liabilities that may arise on the basis of the amounts expected to be paid to tax authorities. This includes open matters where Her Majesty's Revenue and Customs ("HMRC") adopt a different interpretation and application of tax law which might lead to additional tax. A number of group companies, including the Company, have an open matter in relation to a claim for group relief of losses incurred in a former Irish banking subsidiary of the Group, which ceased trading on 31 December 2010. In 2013 HMRC informed the Group that their interpretation of the UK rules, permitting the offset of such losses, denies these claims; if HMRC's position is found to be correct, management estimate that this would result in an increase in the Company's current tax liability of approximately £4,643,220 (including interest). The Group does not agree with HMRC's position and, having taken appropriate advice, does not consider that this is a case where additional tax will ultimately fall due on the Company.

10. Dividend

On 28 June 2016, the Company paid a dividend of £36,720,000 on the ordinary shares of the Company. The amount paid was £18,360,000 per ordinary share.