

LEX VEHICLE PARTNERS LIMITED

Directors' report and financial statements

For the year ended 31 December 2013

Registered number: 02965906

Registered office:

Charterhall House
Charterhall Drive
Chester
Cheshire
CH88 3AN



Lex Vehicle Partners Limited

Directors' report and financial statements

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Lex Vehicle Partners Limited

Directors and company information

Directors

C A Parkes
M F Chessman

Company secretary

P Gittins

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

Lex Vehicle Partners Limited

Directors' report for the year ended 31 December 2013

The directors present their report together with the audited financial statements of Lex Vehicle Partners Limited (the "Company") for the year ended 31 December 2013.

Principal activities

The principal activity of the Company is to act as an agent obtaining vehicle leasing business on behalf of fellow Lloyds Banking Group plc companies ("the Group").

Business review

As a result of the transfer of vehicles under the management of the Company during 2011 to another group company, Lex Autolease Limited, the Company did not trade during either the current year or the previous year.

Results and dividend

The results for the year are set out on page 7. The Company made neither a loss nor profit before taxation during either the current year or previous year. The directors do not recommend the payment of a dividend (2012: £nil).

Key performance indicators ('KPIs')

The directors of Lloyds Banking Group plc manage the Group's operations on a divisional basis. At year end, the Company was included within the Asset Finance business unit of the Consumer Finance Division.

As at 31 December 2013 the Company had total assets of £15,118,000 (2012: £15,245,000).

Given that the status of the Company is non-trading following the transfer of the Company's remaining business assets to another group company in 2011, the directors do not consider analysis using KPIs is required.

Risk management

Responsibility for the control of overall risk within the Company lies with the board of directors. Further information surrounding these risks can be found within note 2.

Future developments

Following the transfer of all vehicles under the management of the Company to a fellow group company during 2011, it is the intention of the directors for the Company to become dormant.

Supplier payment policy

The Company did not trade during either the current year or previous year.

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed on page 1. The following director resigned during the year:

R Francis

14 June 2013

Lex Vehicle Partners Limited

Directors' report for the year ended 31 December 2013 (*continued*)

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 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

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

This confirmation is given, and should be interpreted, in accordance with section 418 of the Companies Act 2006.

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. 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 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.

Lex Vehicle Partners Limited

Directors' report for the year ended 31 December 2013 (*continued*)

Going concern

Having considered the risks and uncertainties of the Company following the transfer of all business activities to Lex Autolease Limited in 2011, the directors are satisfied that the Company has adequate funding and resources to meet all future obligations. Consequently the going concern basis continues to be appropriate in preparing the financial statements.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed 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 Part 15 of the Companies Act 2006.

On behalf of the board.



C A Parkes

Director

Date: *9th July 2014*

Registered Office:

Charterhall House
Charterhall Drive
Chester
Cheshire
CH883AN

Lex Vehicle Partners Limited

Independent auditors' report to the member of Lex Vehicle Partners Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its result 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Lex Vehicle Partners Limited, comprise:

- the balance sheet as at 31 December 2013;
- the statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Lex Vehicle Partners Limited

Independent auditors' report to the member of Lex Vehicle Partners Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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 in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

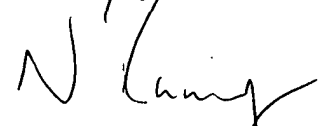
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's member 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.



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

9 July 2014

Lex Vehicle Partners Limited

Statement of comprehensive income

for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Result before taxation	4	-	-
Taxation	5	-	-
Result for the year attributable to owner, being total comprehensive income		<hr/> - <hr/>	<hr/> - <hr/>

A reconciliation of the movement in capital and reserves can be found on page 9.

The accompanying notes on pages 11 to 14 are an integral part of the financial statements.

Lex Vehicle Partners Limited

Balance sheet

as at 31 December 2013

	Note	2013 £000	2012 £000
Assets			
Current assets			
Trade and other receivables	6	15,118	15,245
Total current assets		<u>15,118</u>	<u>15,245</u>
Total assets		<u>15,118</u>	<u>15,245</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	7	677	677
Corporation tax liabilities		-	127
Total current liabilities		<u>677</u>	<u>804</u>
Equity			
Share capital	8	-	-
Retained earnings		14,441	14,441
Total equity		<u>14,441</u>	<u>14,441</u>
Total equity and liabilities		<u>15,118</u>	<u>15,245</u>

The financial statements on pages 7 to 14 were approved by the board of directors on 9th July 2014 and were signed on its behalf by:

C A Parkes

C A Parkes
Director

The accompanying notes on pages 11 to 14 are an integral part of the financial statements.

Lex Vehicle Partners Limited

Statement of changes in equity

for the year ended 31 December 2013

	Share capital £000	Retained earnings £000	Total equity £000
At 31 December 2011	-	14,441	14,441
Result and total comprehensive income for the year	-	-	-
At 31 December 2012	-	14,441	14,441
Result and total comprehensive income for the year	-	-	-
At 31 December 2013	-	14,441	14,441

The accompanying notes on pages 11 to 14 are an integral part of the financial statements.

Lex Vehicle Partners Limited

Cash flow statement

for the year ended 31 December 2013

	2013 £000	Restated 2012 £000
Cash flows from operating activities		
Result before taxation	-	-
Cash generated from operations	-	-
Taxes paid via group relief	(127)	-
Decrease in amounts due from group companies	127	-
Net cash used in operating activities	-	-
Increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

The accompanying notes on pages 11 to 14 are an integral part of the financial statements.

Lex Vehicle Partners Limited

Notes to the financial statements

for the year ended 31 December 2013

1. Significant accounting policies

Lex Vehicle Partners Limited is a limited liability company incorporated and domiciled in the United Kingdom.

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 International Financial Reporting Interpretations Committee ("IFRIC") and its predecessor body.

No new IFRS pronouncements relevant to the Company have been adopted in these financial statements.

Given the intention of the directors to make the Company dormant, the Company will not be impacted by future changes to accounting standards.

The financial statements have been prepared under the historic 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 and liabilities of the Company include amounts due from, and amounts owed to, other group companies.

All financial assets and liabilities are initially measured at fair value.

Income tax

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

Prior year adjustment

Further to the transfer of the vehicle asset under the Company's management during 2011 to Lex Autolease Limited, the Company has reclassified cash and cash equivalents as amounts due from group companies and all associated movements will be classed as movements of amounts due from group companies in the cash flow statement.

Lex Vehicle Partners Limited

Notes to the financial statements *(continued)*

for the year ended 31 December 2013

2. Risk management policy

Following the transfer of the assets managed by the Company to Lex Autolease Limited in 2011, the Company's exposures to risk are minimal as the operational risks associated with those assets were also transferred.

Responsibility for the control of the overall risk lies with the board of directors, operating within a managerial framework established by a fellow subsidiary company, Lloyds Bank Asset Finance Limited (formerly Lloyds TSB Asset Finance Division Limited), and the ultimate parent, Lloyds Banking Group plc.

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, 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.

3. Critical accounting estimates and judgements in applying accounting policies

Following the transfer of the Company's trade and assets to Lex Autolease Limited in 2011, no critical accounting estimates or judgements are required in the preparation of the financial statements.

4. Result before taxation

Audit remuneration for audit services of £3,000 has been borne by a fellow group company in 2013 (2012: £10,000).

The Company did not directly employ any person during the year (2012: none). As such, no employee costs have been included in the statement of comprehensive income.

Lex Vehicle Partners Limited

Notes to the financial statements *(continued)*

for the year ended 31 December 2013

5. Taxation

	2013 £000	2012 £000
Current tax:		
Corporation tax on result for the year	-	-

The Finance Act 2012, which was substantively enacted on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24 per cent to 23 per cent with effect from 1 April 2013. In addition, the Finance Act 2013, which was substantively enacted on 2 July 2013, included legislation to reduce the main rate of corporation tax to 21 per cent with effect from 1 April 2014 and 20 per cent with effect from 1 April 2015.

6. Trade and other receivables

	2013 £000	2012 £000
Current trade and other receivables:		
Amounts due from group companies (note 10)	15,118	15,245

7. Trade and other payables

	2013 £000	2012 £000
Current trade and other payables:		
Amounts owed to group companies (note 10)	677	677

8. Share capital

	2013 £	2012 £
Allotted, issued and fully paid		
2 (2012: 2) ordinary shares of £1 each	2	2

During the year, as permitted by the Companies Act 2006, the Company removed references to authorised share capital from its Articles of Association.

Lex Vehicle Partners Limited

Notes to the financial statements *(continued)*

for the year ended 31 December 2013

9. 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 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.

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.

10. Related party transactions

Balances with group companies

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

	2013 Debtor/ (creditor)	2012 Debtor/ (creditor)
Outstanding balances:		
Balance due from group companies	15,118	15,245
Balance owed to group companies	(677)	(677)

Transactions with directors and key managers

No remuneration was paid or is payable by the Company to the directors (2012: £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 Division Limited sub group and consider that their services to the Company are incidental to their activities within the Group.