

Halifax Vehicle Leasing (1998) Limited

Annual report and accounts
for the year ended 31 December 2016

Registered office

Trinity Road
Halifax
West Yorkshire
HX1 2RG

Registered number

03593505

Current directors

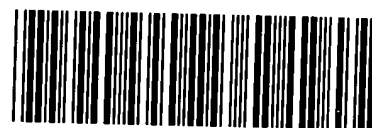
C A Parkes
T R Porter

Company Secretary

D D Hennessey

Member of Lloyds Banking Group

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COMPANIES HOUSE

Directors' report

For the year ended 31 December 2016

Principal activities and business review

Halifax Vehicle Leasing (1998) Limited ("the Company") is a limited company incorporated and domiciled in England and Wales.

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

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 accounts.

Company Secretary

The following changes have taken place between the beginning of the reporting period and the approval of the Annual report and accounts:

D D Hennessey	(appointed 4 May 2017)
P Gittins	(resigned 4 May 2017)

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.

On behalf of the board



C A Parkes
Director

28 JUL 2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Income from investment		-	40,000
Profit before tax		-	40,000
Taxation	4	-	-
Profit for the year attributable to owners of the parent, being total comprehensive income		-	40,000

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

Balance sheet

As at 31 December 2016

	Note	2016 £'000	2015 £'000
ASSETS			
Investment in subsidiary undertakings	5	418,107	418,107
Total assets		418,107	418,107
LIABILITIES			
Amounts due to other group undertakings	6	418,029	418,029
Total liabilities		418,029	418,029
EQUITY			
Share capital	7	-	-
Retained earnings		78	78
Total equity		78	78
Total equity and liabilities		418,107	418,107

For the year ended 31 December 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 members have 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.

C A Parkes

C A Parkes
Director

28 JUL 2017

Statement of changes in equity

For the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2015	-	(14,922)	(14,922)
Profit for the year being total comprehensive income	-	40,000	40,000
Dividend paid to equity holders of the Company	-	(25,000)	(25,000)
<hr/>			
At 31 December 2015	-	78	78
Profit for the year being total comprehensive income	-	-	-
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At 31 December 2016	-	78	78

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
Cash flows generated from operating activities		
Profit before tax	-	40,000
Adjustments for:		
- Dividends received	-	(40,000)
Cash generated from operations	-	-
Net cash generated from operating activities	-	-
Change in Cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

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.

These separate financial statements contain information about the Company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemptions under IFRS 10 Consolidated Financial Statements and Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The Company and its subsidiaries are included in the consolidated financial statements of the Company's ultimate parent company.

1.2 Income recognition

Dividends

Dividend income is recognised in the period in which it is declared.

1.3 Financial assets and liabilities

The Company does not hold financial assets. Financial liabilities comprise Amounts due to related undertakings.

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.

1.4 Dividends

Dividends on ordinary shares are recognised through equity in the period in which they are paid.

1.5 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.

1.6 Taxation, including deferred income taxes

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise.

Deferred and current tax assets and liabilities are offset where there is both a legal right of offset and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 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.

The Company regularly reviews its Investments in subsidiary undertakings for indications of impairment. In determining whether impairment has occurred, the Company reviews the profits of subsidiary undertakings for their value in use.

Notes to the financial statements (continued)

For the year ended 31 December 2016

3. Profit before tax

Fees payable to the Company's auditors for the audit of the financial statements of £nil (2015: £5,000) have been borne by a fellow group undertaking 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.

The Company did not have any employees during the year (2015: none).

No director received any fees or emoluments from the Company during the year (2015: £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 8).

4. Taxation

	2016 £'000	2015 £'000
a) Analysis of charge for the year		
UK corporation tax:		
- Current tax on taxable profit for the year	-	-

Corporation tax is calculated at a rate of 20.00% (2015: 20.25%) of the taxable profit for the year.

b) Factors affecting the tax charge for the year

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

	2016 £'000	2015 £'000
Profit before tax	-	40,000
Tax charge thereon at UK corporation tax rate of 20.00% (2015: 20.25%)	-	8,100
Factors affecting charge:		
- Disallowed and non-taxable items	-	(8,100)
Tax charge on profit on ordinary activities	-	-
Effective rate	0.0%	0.0%

The Finance Act 2013 which was substantively enacted on 2 July 2013 reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015.

The Finance (No. 2) Act 2015 which was substantively enacted on 26 October 2015 reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020.

The Finance Act 2016, which was substantively enacted on 6 September 2016, further reduced the main rate of corporation tax to 17% with effect from 1 April 2020.

Notes to the financial statements (continued)

For the year ended 31 December 2016

5. Investments in subsidiary undertakings

	2016 Total £'000	2015 Total £'000
Cost		
Cost 1 January and at 31 December	418,107	418,107
Provision for impairment		
Provision at 1 January and 31 December	-	-
Carrying value of investments at 31 December	418,107	418,107

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 undertakings at 31 December 2016 and 31 December 2015, listed below, are all incorporated in England and Wales.

Subsidiary undertakings	Company interest %	Accounting reference date	Class of shareholding	Principal activities	Registered Address
Lex Vehicle Leasing (Holdings) Limited	100.00%	30 December	Ordinary	Holding company	Charterhall House, Charterhall Drive, Chester, Cheshire, CH88 3AN
Lex Vehicle Finance Limited **	100.00%	30 December	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AP
Lex Vehicle Leasing Limited	100.00%	30 December	Ordinary	Agent	Charterhall House, Charterhall Drive, Chester, Cheshire, CH88 3AN
Vehicle Leasing (1) Limited **	100.00%	31 March	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF
Vehicle Leasing (2) Limited **	100.00%	30 June	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF
Vehicle Leasing (3) Limited **	100.00%	30 September	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF
Vehicle Leasing (4) Limited *	100.00%	30 December	Ordinary	Vehicle leasing	Charterhall House, Charterhall Drive, Chester, Cheshire, CH88 3AN
Lex Vehicle Partners Limited **	100.00%	30 December	Ordinary	Agent	1 More London Place, London, SE1 2AF
Lex Vehicle Partners (1) Limited **	100.00%	31 March	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF
Lex Vehicle Partners (2) Limited **	100.00%	30 June	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF
Lex Vehicle Partners (3) Limited **	100.00%	30 September	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF
Lex Vehicle Partners (4) Limited **	100.00%	30 December	Ordinary	Vehicle leasing	1 More London Place, London, SE1 2AF

* As at 30 June 2017 Vehicle Leasing (4) Limited entered into Member's voluntary liquidation per Companies House.

** As at 31 May 2017, each of the Companies indicated have entered into Member's voluntary liquidation as per Companies House.

The Company's interest in each of these entities is in the form of ordinary share capital.

Notes to the financial statements (continued)

For the year ended 31 December 2016

6. Amounts due to group undertakings

	2016 £'000	2015 £'000
Lex Vehicle Leasing (Holdings) Limited	418,029	418,029

Amounts due to other group undertakings are non-interest bearing and repayable on demand. The fair value of Amounts due to other group undertakings is equal to its carrying amount.

7. Share capital

	2016 £'000	2015 £'000
Allotted, issued and fully paid		
2 ordinary shares of £1 each	-	-

8. Related party transactions

The Company is controlled by Bank of Scotland plc. 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 and the related income and expense for the year are set out below.

	2016 £'000	2015 £'000
Amounts due to group undertakings		
Lex Vehicle Leasing (Holdings) Limited	418,029	418,029
Dividend income		
Lex Vehicle Leasing (Holdings) Limited	-	40,000
Dividend expense		
Bank of Scotland plc	-	25,000

The above balances are unsecured in nature and are expected to be settled in cash or by cash equivalents. Transactions in the year are those reflected through the Statement of comprehensive income.

The Company's immediate parent company is Bank of Scotland plc. The company regarded by the directors as the ultimate parent company 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 Annual Report and Accounts 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.

Notes to the financial statements (continued)

For the year ended 31 December 2016

9. 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.

10. Contingent liabilities and capital commitments

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

11. Post balance sheet events

There are no post balance sheet events requiring disclosure in these financial statements.