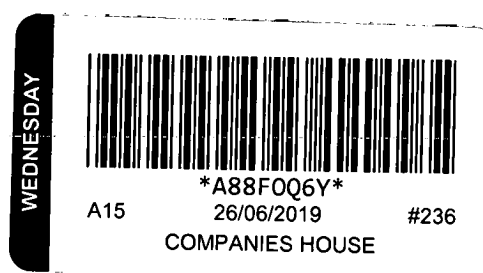


GENERAL LEASING (NO.16) LIMITED
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2018

Company Registered No. 5452951



GENERAL LEASING (NO.16) LIMITED

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the year ended 31 December 2018. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. As a small company, the Company is exempt from the requirement to prepare a Strategic Report.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

In October 2012, the Company transferred its remaining leasing business, along with the interest rate derivative used to hedge that business, to a fellow subsidiary undertaking and used the proceeds to settle remaining funding loans owed to Commerzbank AG Luxembourg Branch. Since that time the Company has had no principal activity other than being a subsidiary in the Commerzbank AG Group.

On 19 September 2018, the directors formally resolved to transfer the central management and control and the place of effective management of the Company back to London from Luxembourg with immediate effect.

On 17 December 2018 the directors declared an interim dividend of £506,889 to fully clear distributable reserves and cancelled and repaid 29,998 of its ordinary shares of £1 each at par in order to leave the Company with 2 ordinary shares of £1 each, with net assets of £2, representing an intercompany balance held with its immediate parent undertaking, Commerzbank Leasing Limited, and became dormant.

The directors do not expect the Company to enter into any new transactions in the foreseeable future. The directors expect to liquidate the Company in the near future.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out in detail on page 5.

The loss for the financial year was £28,543 (2017: £26,049). The directors declared an interim dividend of £506,889 on 17 December 2018 but do not recommend the payment of a final dividend (2017: £nil).

DIRECTORS

The directors of the Company who held office at the year end and up to the date of signing the financial statements were as follows:

M C Beebee	(appointed 19 September 2018)
P R Burrows	(appointed 19 September 2018)
A D Levy	(appointed 19 September 2018)
M McCarthy	(appointed 19 September 2018)

C H K Kratzer and M P Schanne resigned as directors of the Company on 19 September 2018.

The directors benefited from qualifying third party indemnity provisions in place during the year and up to the date of signing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

From the perspective of the Company the principal risks and uncertainties are those described in notes 9 and 10 of these financial statements.

GENERAL LEASING (NO.16) LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in Note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis and, accordingly, the financial statements have been prepared on a basis other than going concern.

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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

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

INDEPENDENT AUDITORS

Ernst & Young LLP were appointed by the members, in accordance with Section 485 of the Companies Act 2006, to act as auditors of the Company's financial statements. Ernst & Young LLP will be re-appointed in accordance with Section 487 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



J C Wall
Secretary

General Leasing (No.16) Limited
Company Registered No. 5452951

19 June 2019

GENERAL LEASING (NO.16) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL LEASING (NO.16) LIMITED

Opinion

We have audited the financial statements of General Leasing (No. 16) Limited for the year ended 31 December 2018, which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union. These financial statements have been prepared on a basis other than going concern, as described in note 2.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to note 2 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 2. Our opinion is not modified in respect of this matter

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements; we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report based in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

GENERAL LEASING (NO.16) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL LEASING (NO.16) LIMITED (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Maurice McCormick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Chartered Accountants and Statutory Auditors
London

20 June 2019

GENERAL LEASING (NO.16) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses	4	(24,256)	(24,580)
Foreign exchange (losses) / gains		(3)	18
		<hr/>	<hr/>
OPERATING LOSS AND LOSS BEFORE TAXATION		(24,259)	(24,562)
Tax on loss	5	(4,284)	(1,487)
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		(28,543)	(26,049)
Other comprehensive income after tax		-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(28,543)	(26,049)

All amounts stated above derive from discontinued activities.

The accounting policies and notes on pages 8 to 12 form an integral part of these financial statements.

GENERAL LEASING (NO.16) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Cash and cash equivalents held with an intermediate parent undertaking		-	569,618
Amounts due from the immediate parent undertaking	2	2	-
Overseas tax recoverable		-	1,960
		<hr/>	<hr/>
		2	571,578
CURRENT LIABILITIES			
Other creditors		-	(6,146)
		<hr/>	<hr/>
NET ASSETS		2	565,432
		<hr/>	<hr/>
EQUITY			
Ordinary share capital	6	2	30,000
Retained earnings		-	535,432
		<hr/>	<hr/>
TOTAL EQUITY		2	565.432
		<hr/>	<hr/>

The accounting policies and notes on pages 8 to 12 form an integral part of these financial statements.

These financial statements on pages 5 to 12 were approved by the Board of Directors and signed on its behalf by:



A D Levy
Director

19 June 2019

GENERAL LEASING (NO.16) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Ordinary share capital £	Retained earnings £	Total equity £
As at 1 January 2017	30,000	561,481	591,481
Total comprehensive expense for the year	-	(26,049)	(26,049)
As at 31 December 2017	30,000	535,432	565,432
Cancellation and repayment of share capital	(29,998)	-	(29,998)
Interim dividend paid	-	(506,889)	(506,889)
Total comprehensive expense for the year	-	(28,543)	(28,543)
As at 31 December 2018	2	-	2

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash flow from operating activities	7	(30,419)	(18,434)
Taxation paid		(5,175)	(3,429)
Tax received		2,863	-
		(32,731)	(21,863)
Cash flows from financing activities:			
Dividend paid		(506,889)	-
Repayment of share capital		(29,998)	-
Net decrease in cash and cash equivalents		(569,618)	(21,863)
Cash and cash equivalents as at the beginning of the year		569,618	591,481
Cash and cash equivalents as at the end of the year		-	569,618

The cash flows stated above derive from discontinued activities.

The accounting policies and notes on pages 8 to 12 form an integral part of these financial statements.

GENERAL LEASING (NO.16) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. BASIS OF PREPARATION

The Company has prepared its financial statements in accordance with the Companies Act 2006 as applicable to companies using IFRS, IFRSs as issued by the International Accounting Standards Board ('IASB') and as endorsed by the EU and under a basis other than going concern.

Changes in accounting policy and disclosures

- (a) New and amended standards adopted - the only new IFRS or IFRS IC interpretation that was effective for the first time for the financial year beginning on or after 1 January 2018 and was relevant to the Company was IFRS 9 – Financial Instruments. The directors have considered the implications of this accounting standard and have concluded that no adjustments to the financial statements were necessary.
- (b) Given the intention to liquidate the Company, there are no new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2018 and not early adopted that will have any impact on the Company.

General information

The Company is a private company limited by shares, domiciled in Luxembourg and incorporated in the United Kingdom. The Company's Registered Office is situated at 30 Gresham Street, London, EC2V 7PG.

2. ACCOUNTING POLICIES

Going concern

Following the transfer of the Company's remaining leasing business to a fellow subsidiary undertaking during October 2012, the directors do not expect the Company to enter into any new transactions. Furthermore, a dividend and a return of capital was made in December 2018, following which the company became dormant. The directors intend to liquidate the Company within twelve months of signing these financial statements. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern, although no adjustments were considered necessary to the carrying value of the remaining assets and liabilities. Any costs of liquidation will be borne by Commerzbank AG London Branch.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with an intermediate parent undertaking.

Impairments of financial assets

The impairment requirements apply to all financial assets. In accordance with IFRS 9 the Company has applied an expected credit loss ('ECL') model, with any impairment charge resulting recognised in the statement of comprehensive income.

The ECL model contains a three stage approach which is based on the change in credit quality of financial assets since initial recognition. Under Stage 1, where there has not been a significant increase in credit risk since initial recognition, an amount equal to 12 months ECL will be recorded. Under Stage 2, where there has been a significant increase in credit risk since initial recognition but the assets are not considered credit impaired, an amount equal to the default probability weighted lifetime ECL will be recorded. Under Stage 3, where there is objective evidence of impairment at the reporting date these assets will be classified as credit impaired and an amount equal to the lifetime ECL will be recorded.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

GENERAL LEASING (NO.16) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2. ACCOUNTING POLICIES (continued)

Taxation

Income tax comprises current tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimate and assumption that has a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year is in respect of the measurement of the ECL allowance as described below:

The measurement of the ECL allowance for financial assets is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward looking scenarios; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

4. ADMINISTRATIVE EXPENSES

Except for the professional fees incurred in Luxembourg, all administrative expenses, including auditors' remuneration for services to the Company, were borne by a fellow subsidiary undertaking. The audit fee applicable in respect of this Company's UK statutory financial statements was £7,200 (2017: £8,320). No amounts were receivable by the Company's auditors in respect of services to the Company, other than the audit of the Company's statutory financial statements. The Company had no employees during the year (2017: None). None of the directors received any emoluments in respect of their services to the Company (2017: None).

GENERAL LEASING (NO.16) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

5. TAX ON LOSS	2018 £	2017 £
a) Analysis of charge for the year:		
Foreign tax - current tax charge	4,284	4,209
- adjustments relating to prior years	-	(2,722)
	<u>4,284</u>	<u>1,487</u>
b) Factors affecting the tax charge for the year:		
The tax assessed for the year differs from the standard rate of corporation tax in Luxembourg. The differences are explained below:		
Loss before taxation	(24,259)	(24,562)
Current rate tax credit in Luxembourg at 27.08% (2017: 27.08%)	(6,569)	(6,668)
Effects of:		
Adjustments to UK accounting profit for Luxembourg tax purposes	10,853	10,860
Adjustments relating to prior years	-	(2,722)
Tax charge	<u>4,284</u>	<u>1,487</u>

On 4 September 2008, noting the confirmation of no objection to the migration received from HMRC, the directors formally resolved to transfer the central management and control and the place of effective management of the Company to Luxembourg with effect from 10 September 2008.

On 19 September 2018, the directors formally resolved to transfer the central management and control and the place of effective management of the Company back to London from Luxembourg with immediate effect. Subsequent to that date the Company has made no gains or losses that were subject to UK taxation.

6. ORDINARY SHARE CAPITAL	2018 £	2017 £
Authorised:		
30,000 ordinary shares of £1 each	30,000	30,000
5,000 "A" preference shares of £1 each	5,000	5,000
5,000 "B" preference shares of £1 each	5,000	5,000
	<u>40,000</u>	<u>40,000</u>
Allotted, called up and fully paid:		
2 (2017: 30,000) ordinary shares of £1 each	<u>2</u>	<u>30,000</u>

On 17 December 2018 the directors declared an interim dividend of £506,889 to fully clear distributable reserves and cancelled and repaid 29,998 of its ordinary shares of £1 each at par in order to leave the Company with 2 ordinary shares of £1 each, with net assets of £2, representing an intercompany balance held with its immediate parent undertaking, Commerzbank Leasing Limited, and became dormant.

7. NOTES TO CASH FLOW STATEMENT	2018 £	2017 £
Loss on ordinary activities before taxation	(24,259)	(24,562)
Foreign exchange gains on tax balances	(12)	(18)
Increase in debtors	(2)	-
(Decrease) / increase in creditors	(6,146)	6,146
Net cash flow from operating activities	<u>(30,419)</u>	<u>(18,434)</u>

GENERAL LEASING (NO.16) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

8. RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions with related parties:

	2018 £	2017 £
Intercompany debtor due from Commerzbank Leasing Limited	2	-
Cash balance held with Commerzbank AG Luxembourg Branch	-	569,618

9. FINANCIAL RISK MANAGEMENT

The financial risks of the Company and how they are managed are set out below:

- **Market risk**

- Price/Interest rate risks

- The only relevant price risk that the Company needs to consider is interest rate risk. Interest rate risk is the risk to earnings and capital that arises from mismatches in the characteristics of the Company's loans and deposits, including cash flows and repricing dates. As the Company's only financial asset is a current account balance due from its immediate parent undertaking and there are no financial liabilities, the Company does not have any interest rate risk.

- Currency risk

- Currency risk is the potential of suffering losses due to currency exposure in respect of assets and liabilities that are not denominated in the functional currency of the Company. Following the receipt in January 2015 of outstanding € denominated tax recoverable balances and the payment of any remaining € dominated liabilities during the current year, the directors believe that the Company is no longer subject to currency risk.

- **Credit risk**

- Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of counterparties to meet their financial obligations to the Company as and when they fall due. At the year end the only credit risk relates to an intercompany balance held with Commerzbank Leasing Limited (2017: a current account balance held with Commerzbank AG Luxembourg Branch) which is not past due. Therefore the maximum credit risk as at 31 December 2018 was £2 (2017: £569,618). As a result the directors believe that the Company is not materially exposed to credit risk.

- **Liquidity risk**

- Liquidity risk is the risk that the ability to meet payment obligations cannot be ensured at all times. In economic terms, this is the risk resulting from the Company's exposure to an increase of liquidity premiums. As there are no financial liabilities or other commitments that are expected to lead to cash outflows, the Company is not exposed to liquidity risk.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders.

During the year, the Company's approach to capital management remained unchanged in aiming to maintain the current level of share capital and retained earnings as shown in the statement of changes in equity on page 7. The Company is not regulated for capital requirements purposes.

11. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2018 (year ended 31 December 2017 £nil).

GENERAL LEASING (NO.16) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

12. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the Company is Commerzbank Leasing Limited, a company incorporated in England and Wales.

Commerzbank AG, a company incorporated in Germany under German law, is the ultimate parent undertaking and controlling party. Financial statements of Commerzbank AG are available from Commerzbank AG, Investor Relations, Kaiserplatz, D-60261 Frankfurt am Main, Germany.

The only company within the Commerzbank AG Group that prepares consolidated group accounts is that headed by Commerzbank AG. However the Company is not consolidated into that group on the grounds of materiality.

13. EVENTS AFTER THE REPORTING DATE

There have been no events since 31 December 2018 which have a material effect on the financial situation of the Company as at that date.