

# Lloyds Bank General Leasing (No. 11) Limited

Annual report and financial statements  
for the year ended 30 September 2021



## Registered office

25 Gresham Street  
London  
EC2V 7HN

## Registered number

05452927

## Current directors

C G Dowsett  
L F C Dorey  
J R Turner

## Company Secretary

Lloyds Secretaries Limited



Member of Lloyds Banking Group

## **Directors' report**

For the year ended 30 September 2021

The directors present their Annual report and audited financial statements of Lloyds Bank General Leasing (No. 11) Limited (the "Company") for the year ended 30 September 2021.

The Company qualifies as a small company in accordance with sections 381-382 of the Companies Act 2006 (the "Act"). The Directors' report has therefore been prepared taking into consideration the provisions of Part 15 of the Act.

### **General information**

The Company is a private company limited by shares, incorporated and domiciled in England and Wales, United Kingdom (registered number: 05452927).

### **Principal activity**

During the year, the principal activity of the Company has changed from holding of call option agreements to management of financial assets and liabilities.

### **Company performance**

The results of the Company show a loss after taxation of £1,561,174 (2020: £280) for the year as set out in the Statement of comprehensive income on page 4.

The Company has a deficit of shareholders' equity of £2,332,108 (2020: £770,934).

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

### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further details of the Company's and Group's risk management policy are contained in note 19 to the financial statements.

The global pandemic from the outbreak of COVID-19 continues to cause widespread disruption to financial markets and normal patterns of business activity across the world, including in the UK. Measures taken to contain the health impacts of the COVID-19 pandemic are resulting in adverse impacts on economic activity across the world, and the duration for which such measures will remain in place is uncertain. The impact on the economy is remains highly uncertain in both its depth and length, and may go beyond current forecasts of scale of loss of output and recession in the UK and globally.

The Company has not been directly impacted by COVID-19 but the directors continue to monitor for further developments however at this stage they do not anticipate any material issues for the Company.

The Company is part of the wider Lloyds Banking Group, and, at that level, following the United Kingdom's ("UK") vote to leave the European Union ("EU") and the UK's subsequent exit from the EU on the 31 December 2020, consideration of many of the potential implications has been undertaken. Work continues to assess the impact of the EU exit at the level of the Lloyds Banking Group, as well as for the Company, upon customers, colleagues and products. This assessment includes all legal, regulatory, tax, finance and capital implications.

The Company has not been directly impacted by UK's exit from the EU but the directors will continue to monitor for further developments however at this stage they do not anticipate any material issues for the Company.

### **Future outlook**

The Company is non-trading and does not intend to write any new business. It is the intention of the directors to place the Company into voluntary liquidation as soon as practicable.

### **Employees**

The Company has no direct employees (2020: none). All staff are employed by other group undertakings and no staff costs are recharged to the Company.

### **Dividends**

No dividends were paid or proposed during the year ended 30 September 2021 (2020: £nil).

## **Directors' report (continued)**

For the year ended 30 September 2021

### **Directors**

The current directors of the Company are shown on the front cover.

The following changes have taken place between the beginning of the reporting year and the approval of the Annual report and financial statements:

J R Turner	appointed 13 January 2022
G A Fox	resigned 13 January 2022

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 ("LBG") 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 Director 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 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.

### **Going Concern**

The financial statements have been prepared on a basis 'other than going concern' as the directors intend to liquidate the Company as soon as practicable. There would be no difference to asset values between a 'going concern' basis and a basis 'other than going concern' under the historical cost convention.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual report and 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 are required to prepare the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. 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 the financial statements comply with international accounting standards in conformity with the requirements of the Companies Act 2006, 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.

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.

### **Statement of disclosure of information to auditor**

In accordance with Section 418 of the Companies Act 2006, 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 auditor is 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 auditor is aware of that information.

## **Directors' report (continued)**

For the year ended 30 September 2021

### **Independent auditor**

Deloitte LLP are deemed to be re-appointed as auditor under section 487(2) of the Companies Act 2006.

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



**C G Dowsett**  
Director  
25 March 2022

## Statement of comprehensive income

For the year ended 30 September 2021

	Note	2021 £	2020 £
Fee income	4	12,581	47,468
Finance costs	5	(1)	(280)
Transaction costs	6	(1,961,269)	(47,468)
<b>Net operating expense</b>		<b>(1,948,689)</b>	<b>(280)</b>
Foreign exchange gain		21,314	-
<b>Loss before tax</b>	7	<b>(1,927,375)</b>	<b>(280)</b>
Taxation	8	366,201	-
<b>Loss after tax and total comprehensive expense</b>		<b>(1,561,174)</b>	<b>(280)</b>

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

## Balance sheet

As at 30 September 2021

			* Re-presented	* Re-presented
	Note	2021	2020	As at 1 October 2019
		£	£	£
<b>ASSETS</b>				
Cash and cash equivalents	9	828,603	-	-
Amounts due from group undertakings	10	366,301	100	100
Trade and other receivables	11	6,959	-	-
Deferred transaction cost	12	-	12,581	60,049
<b>Total assets</b>		<b>1,201,863</b>	<b>12,681</b>	<b>60,149</b>
<b>LIABILITIES</b>				
Bank overdraft *	13	-	753,024	684,078
Bank borrowings *	14	-	18,010	86,676
Amounts due to group undertakings *	15	3,533,971	-	-
Deferred transaction income	16	-	12,581	60,049
<b>Total liabilities</b>		<b>3,533,971</b>	<b>783,615</b>	<b>830,803</b>
<b>EQUITY</b>				
Share capital	17	100	100	100
Accumulated losses		(2,332,208)	(771,034)	(770,754)
<b>Total equity</b>		<b>(2,332,108)</b>	<b>(770,934)</b>	<b>(770,654)</b>
<b>Total equity and liabilities</b>		<b>1,201,863</b>	<b>12,681</b>	<b>60,149</b>

\* The comparatives have been re-presented to reflect the change in presentation explained in note 20.

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  
25 March 2022

## Statement of changes in equity

For the year ended 30 September 2021

	Share capital £	Accumulated losses £	Total equity £
Balance at 1 October 2019	100	(770,754)	(770,654)
Comprehensive expense Loss for the year	-	(280)	(280)
Total comprehensive expense	-	(280)	(280)
At 30 September 2020	100	(771,034)	(770,934)
Comprehensive expense Loss for the year	-	(1,561,174)	(1,561,174)
Total comprehensive expense	-	(1,561,174)	(1,561,174)
At 30 September 2021	100	(2,332,208)	(2,332,108)

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

## Cash flow statement

For the year ended 30 September 2021

	Note	2021 £	2020 £
(Loss)/Profit before tax		(1,927,375)	94,656
Adjustments for:			
- Amortisation of transaction cost		(12,581)	(47,468)
- Amortisation of deferred fee income		12,581	47,468
<b>Operating cash flows before movements in working capital</b>		<b>(1,927,375)</b>	<b>94,656</b>
Increase in Trade and other receivables		(6,959)	-
Decrease in Deferred transaction cost		12,581	47,468
Increase in Amounts due to group undertakings		3,533,971	-
Decrease in Deferred transaction income		(12,581)	(47,468)
<b>Cash generated from operations</b>		<b>1,599,637</b>	<b>94,656</b>
Tax received		-	-
<b>Net cash generated from operating activities</b>		<b>1,599,637</b>	<b>94,656</b>
<b>Cash flows used in financing activities</b>			
Decrease in Bank borrowings		(18,010)	(68,666)
<b>Net cash used in financing activities</b>		<b>(18,010)</b>	<b>(68,666)</b>
<b>Change in cash and cash equivalents</b>		<b>1,581,627</b>	<b>25,990</b>
Cash and cash equivalents at beginning of year		(753,024)	(684,078)
<b>Cash and cash equivalents at end of year</b>		<b>828,603</b>	<b>(658,088)</b>
<b>Cash and cash equivalents comprise</b>			
Cash at bank	9	828,603	-
Bank overdraft	13	-	(753,024)
<b>Total cash and cash equivalents</b>		<b>828,603</b>	<b>(753,024)</b>

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



## Notes to the financial statements

For the year ended 30 September 2021

### 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.

The financial information has been prepared under the historical cost convention. As stated below, the directors consider that it is appropriate to adopt a basis other than going concern in preparing the financial statements.

In the preparation of these financial statements the Balance sheet has been arranged in order of liquidity.

No new IFRS pronouncements which had a material impact have been adopted in these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 30 September 2021 and which have not been applied in preparing these financial statements are given in note 21. No standards have been early adopted.

The financial statements have been prepared on a basis 'other than going concern' as the directors intend to liquidate the Company as soon as practicable. There would be no difference to asset values between a 'going concern' basis and a basis 'other than going concern' under the historical cost convention.

### 2. Accounting policies

The Company's accounting policies are set out below. These accounting policies have been applied consistently.

#### 2.1 Income recognition

##### Income and expense from financial instruments

Interest income and expense are recognised in the Statement of comprehensive income for all interest bearing financial instruments using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense to a period of account. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or financial liability.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised on the net lending balance using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

#### 2.2 Financial assets and liabilities

Financial assets comprise Cash and cash equivalents, Amounts due from group undertakings and Trade and other receivables. Financial liabilities comprise Bank overdraft and Amounts due to group undertakings.

On initial recognition, financial assets are measured at fair value. These are subsequently classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, depending on the Company's business model for managing the financial assets and whether the cash flows represent solely payments of principal and interest. The Company assesses its business models at a portfolio level based on its objectives for the relevant portfolio, how the performance of the portfolio is managed and reported, and the frequency of asset sales. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

A reclassification will only take place when the change is significant to the Company's operations and will occur at a portfolio level and not for individual instruments; reclassifications are expected to be rare.

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

Financial liabilities are measured at amortised cost, except for trading liabilities and other financial liabilities designated at fair value through profit and loss on initial recognition which are held at fair value.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

## **Notes to the financial statements (continued)**

For the year ended 30 September 2021

### **2. Accounting policies (continued)**

#### **2.3 Transaction costs and transaction fees**

Transaction costs and fees relating to future activities are recognised at cost and amortised on a straight line basis over the life of the related transaction. Transaction costs not related to future activities are expensed to the Statement of comprehensive income when incurred.

#### **2.4 Impairment of financial assets**

The Company has not adopted the simplified expected credit loss model for its financial assets, as allowed by IFRS 9, paragraph 5.5.15. Instead, the general expected credit loss model has been applied to financial assets.

#### **2.5 Cash and cash equivalents**

For the purposes of the Cash flow statement, Cash and cash equivalents comprise cash and amounts due from banks with original maturities of less than three months.

#### **2.6 Foreign currency translation**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in pounds sterling, which is the Company's functional and presentation currency.

#### **2.7 Taxation**

Tax expense comprises current tax. Current tax is charged or credited in the Statement of comprehensive income except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the Statement of comprehensive income (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the Balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by Her Majesty's Revenue and Customs ("HMRC") or other relevant tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

#### **2.8 Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Dividends on ordinary shares are recognised as a reduction in equity in the period in which they are paid.

### **3. Critical accounting judgements and key sources of estimation uncertainty**

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, no critical judgements or estimates been made in the process of applying the Company's accounting policies.

## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 4. Fee income

	2021 £	2020 £
Finance lease income	12,581	47,468

Fee income represents a structuring fee relating to advice in connection with certain leasing arrangements under which the Company has acquired call options exercisable in January 2021. The structuring fees have been deferred and amortised to the Statement of comprehensive income on a straight line basis over the related lease term. The unamortised fee income is included within deferred transaction income in the Balance sheet.

### 5. Finance costs

	2021 £	2020 £
Interest payable on bank loans to other group companies	1	280

### 6. Transaction costs

	2021 £	2020 £
Upside fee cost	1,948,688	-
Option fee amortisation	12,581	47,468
	1,961,269	47,468

Upside fee cost relates to contractual obligation to pay pre-determined amount to third parties on execution of options to purchase underlying rail cars.

The Option fee amortisation relates to Company's purchase of options on various lease equipment leased to third parties. The total cost incurred was £684,000 which is being amortised over the life of the options which expired in current year. The unamortised cost is included within deferred transaction costs in the Balance sheet.

### 7. (Loss)/Profit before tax

Fees payable to the Company's auditors for the audit of the financial statements of £6,300 (2020: £6,000) have been borne by the ultimate parent Company and are not recharged to the Company.

The Company has no employees (2020: none).

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.

### 8. Taxation

	2021 £	2020 £
<b>a) Analysis of credit for the year</b>		
UK corporation tax:		
- Current tax receivable on taxable loss for the year	366,201	-
Current tax credit	366,201	-

Corporation tax is calculated at a rate of 19.00% (2020: 19.00%) of the taxable (loss)/profit for the year.

## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 8. Taxation (continued)

#### 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 loss before tax to the actual tax credit for the year is given below:

	2021 £	2020 £
Loss before tax	(1,927,375)	94,656
Tax credit thereon at UK corporation tax rate of 19.00% (2020: 19.00%)	366,201	53
Factors affecting credit:		
- Other	-	(53)
<b>Tax credit on profit on ordinary activities</b>	<b>366,201</b>	<b>-</b>
<b>Effective rate</b>	<b>(19.00%)</b>	<b>0.00%</b>

### 9. Cash and cash equivalents

	2021 £	* Represented 2020 £
Cash at bank	828,603	-

\* The comparatives have been re-presented to reflect the change in presentation explained in note 20.

Cash at bank of £828,603 (2020: £nil) is unsecured, non-interest bearing and repayable on demand. For further details, please refer to note 18.

### 10. Amounts due from group undertakings

	2021 £	2020 £
Taxation receivable	366,201	-
Amounts due from immediate parent company	100	100
<b></b>	<b>366,301</b>	<b>100</b>

All balances within Amounts due from group undertakings of £366,301 (2020: £100) are unsecured, non-interest bearing and payable on demand. For further details, please refer to note 18.

### 11. Trade and other receivables

	2021 £	2020 £
Other receivables	6,959	-

## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 12. Deferred transaction costs

	2021 £	2020 £
At the beginning of year	12,581	60,049
Amortisation to Statement of comprehensive income	(12,581)	(47,468)
At 30 September	-	12,581
Analysed as:		
Receivable within 1 year	-	12,581
	-	12,581

### 13. Bank overdraft

	2021 £	* Represented 2020 £
Bank overdraft	-	753,024

\* The comparatives have been re-presented to reflect the change in presentation explained in note 20.

Bank overdraft of £nil (2020: £753,024) is unsecured, non-interest bearing and payable on demand. For further details, please refer to note 18.

### 14. Bank borrowings

	2021 £	* Represented 2020 £
Bank borrowings	-	18,010

\* The comparatives have been re-presented to reflect the change in presentation explained in note 20.

Bank borrowings of £nil (2020: £18,010) are unsecured, interest bearing and payable on maturity. For further details, please refer to note 18.

### 15. Amounts due to group undertakings

	2021 £	* Represented 2020 £
Amounts due to intermediate parent company	3,533,971	-

\* The comparatives have been re-presented to reflect the change in presentation explained in note 20.

Amounts due to intermediate parent company of £3,533,971 (2020: £nil) are unsecured, non-interest bearing and payable on demand. For further details, please refer to note 18.

## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 16. Deferred transaction income

	2021 £	2020 £
At the beginning of year	12,581	60,049
Amortisation to Statement of comprehensive income	(12,581)	(47,468)
At 30 September	-	12,581
Analysed as:		
Receivable within 1 year	-	12,581
	-	12,581

### 17. Share capital

	2021 £	2020 £
Allotted, issued and fully paid 100 (2020: 100) ordinary shares of £1 each	100	100

The Company's objectives when managing capital are to safeguard the Company's ability to run down the Company in an orderly manner, 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 makes 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 Company's parent may adjust the amount of dividends to be paid to the shareholder, return capital to the shareholder, issue new shares, or enter into debt financing. The Company's parent can also request the Company to pay dividends or make a capital contribution in order to maintain or adjust the Group's capital structure.

The Company's capital comprises all components of equity, movements in which appear in the Statement of changes in equity.

### 18. 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 financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN. The Lloyds Banking Group plc financial statements may be downloaded via [www.lloydsbankinggroup.com](http://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.

## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 18. Related party transactions (continued)

A summary of the outstanding balances at the year end and the related income and expense for the year are set out below.

				2021 £	2020 £
<b>Cash and cash equivalents</b>					
<b>Nature of transaction</b>	<b>Related party</b>	<b>Repayment</b>	<b>Interest</b>		
Cash at bank	Lloyds Bank plc	On demand	N/A	828,603	-
Total Cash and cash equivalents (note 9)				828,603	-
<b>Amounts due from group undertakings</b>					
<b>Nature of transaction</b>	<b>Related party</b>	<b>Repayment</b>	<b>Interest</b>		
Amounts due from immediate parent company	Lloyds Bank Leasing Limited	On demand	N/A	100	100
Taxation receivable	Bank of Scotland plc	On demand	N/A	366,201	-
Total Amounts due from group undertakings (note 10)				366,301	100
<b>Bank overdraft</b>					
<b>Nature of transaction</b>	<b>Related party</b>	<b>Repayment</b>	<b>Interest</b>		
Bank overdraft	Lloyds Bank plc	On demand	N/A	-	753,024
Total Bank overdraft (note 13)				-	753,024
<b>Bank borrowings</b>					
<b>Nature of transaction</b>	<b>Related party</b>	<b>Repayment</b>	<b>Interest</b>		
Bank borrowings	Lloyds Bank plc	30/10/2020	0.05%	-	18,010
Total Bank borrowings (note 14)				-	18,010
<b>Amounts due to group undertakings</b>					
<b>Nature of transaction</b>	<b>Related party</b>	<b>Repayment</b>	<b>Interest</b>		
Amounts due to intermediate parent	Lloyds Bank plc	On demand	N/A	3,533,971	-
Total Amounts due to group undertakings (note 15)				3,533,971	-
<b>Finance costs</b>					
<b>Related party</b>					
Interest payable on bank loans to other group companies	Lloyds Bank plc			1	280

There were no credit losses or bad debts expenses relating to the above balances incurred during the year, or in the prior year.

The Bank overdraft facility is renewed on an annual basis.

Bank borrowings are interest bearing and during the year rates of interest of between 0.04% and 0.32% (2020: 0.05% and 0.72%) were charged. Borrowings that have matured in the year end have not been rolled forward.

The Company paid taxation of £nil (2020: £nil) during the year to a fellow subsidiary undertaking.

## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 18. Related party transactions (continued)

The registered offices of related parties are noted below:

Related party	Related party relationship	Registered address
Bank of Scotland plc	Fellow group company	The Mound, Edinburgh, EH1 1YZ
Lloyds Bank plc	Intermediate parent company	25 Gresham Street, London, EC2V 7HN
Lloyds Bank Leasing Limited	Immediate parent company	25 Gresham Street, London, EC2V 7HN
Lloyds Banking Group plc	Ultimate parent company	The Mound, Edinburgh, EH1 1YZ

### 19. Financial risk management

The Company's operations expose it to credit risk and liquidity risk. It is not exposed to any significant market risk, interest rate risk or foreign exchange risk. Responsibility for the control of overall risk lies with the Board of directors, operating within a management framework established by Lloyds Banking Group, and the ultimate parent, Lloyds Banking Group plc.

#### 19.1 Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.

The credit risk associated with Cash and cash equivalents and Amounts due from group undertakings are not considered significant as held with other companies within the Group. The credit risk associated with Trade and other receivables is not considered significant as they are held with HMRC.

##### Maximum credit exposure

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below and equates to carrying value.

	2021 £	2020 £
Cash and cash equivalents	828,603	-
Amounts due from other group undertakings	366,301	100
Trade and other receivables	6,959	-
	1,201,863	100

#### 19.2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

To manage this risk borrowing facilities are available from within the Group and are managed as part of the Group by its immediate parent company. Typically this funding is repayable on demand, although there is no expectation that such a demand would be made.

The liquidity profile of financial liabilities at the year end was as follows:

##### As at 30 September 2021

	On demand	< 1 month	1-3 months	3-12 months	> 1 year	Total
	£	£	£	£	£	£
Bank overdraft	-	-	-	-	-	-
Bank borrowings	-	-	-	-	-	-
Amounts due to intermediate parent	3,533,971	-	-	-	-	3,533,971
	3,533,971	-	-	-	-	3,533,971



## Notes to the financial statements (continued)

For the year ended 30 September 2021

### 19. Financial risk management (continued)

#### 19.2 Liquidity risk (continued)

The liquidity profile of financial liabilities at the year end was as follows (continued):

As at 30 September 2020

	On demand	< 1 month	1-3 months	3-12 months	> 1 year	Total
	£	£	£	£	£	£
Bank overdraft	753,024	-	-	-	-	753,024
Bank borrowings	-	18,010	-	-	-	18,010
Amounts due to intermediate parent	-	-	-	-	-	-
	753,024	18,010	-	-	-	771,034

#### 19.3 Market risk

Market risk is the risk of financial loss from changes in market prices of financial assets and liabilities, typically from changes and volatility in interest rates (see note 19.4 for interest rate risk) and foreign exchange rates (see note 19.5 for foreign currency risk).

#### 19.4 Interest rate risk

Interest rate risk is the risk that the future cash flows and fair values of a financial instrument may fluctuate because of changes in market interest rates.

The Company has no exposure to variable rate financial assets and liabilities.

#### 19.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's transactions are all denominated in pounds sterling and as such the company has no exposure to foreign currency risk.

#### 19.6 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date.

##### Valuation of financial assets and liabilities

The valuations of financial instruments have been classified into three levels according to the quality and reliability of information used to determine the fair values.

##### Level 1 portfolios

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 predominantly comprise equity shares, treasury bills and government securities.

##### Level 2 portfolios

Level 2 valuations are those where quoted market prices are not available, for example where the instrument is traded in a market that is not considered to be active or valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

##### Level 3 portfolios

Level 3 portfolios are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments are valued using various valuation techniques that require significant management judgment in determining appropriate assumptions, including earnings multiples and estimated future cash flows.

**Notes to the financial statements (continued)**

For the year ended 30 September 2021

**19. Financial risk management (continued)**

**19.6 Fair values of financial assets and liabilities (continued)**

**Financial assets and liabilities carried at amortised cost**

Cash and cash equivalents, Amounts due from group undertakings, Trade and other receivables, Bank overdraft, Bank borrowings and Amounts due to group undertakings are held at amortised cost.

The directors consider that there are no significant differences between the carrying amounts shown in the Balance sheet and the fair value, due to their short term nature.

**20. Re-presentation of comparatives**

Bank overdraft and Bank borrowings are held by other companies within the Group and were previously presented as Amounts due to group undertakings respectively. These are now disclosed as separately on the Balance sheet in line with the requirements of IAS 1. Accordingly, £753,024 is presented as Bank overdraft and £18,010 is presented as Bank borrowings in the 30 September 2020 comparatives and £684,078 and £86,676 respectively in the 1 October 2019 comparatives to bring this into line with 2021 presentation.

**21. Future developments**

The following pronouncement is not applicable for the year ending 30 September 2021 and has not been applied in preparing these financial statements. Save as disclosed below, the impact of these accounting changes is still being assessed by the Company and reliable estimates cannot be made at this stage.

With the exception of certain minor amendments, as at 30 September 2021 this pronouncement has been endorsed for use in the United Kingdom.

**Minor amendments to other accounting standards**

The IASB has issued a number of minor amendments to IFRSs effective 1 January 2021 and in later years (including IFRS 9 Financial Instruments and IAS 37 Provisions, Contingent Liabilities and Contingent Assets). These amendments are not expected to have a significant impact on the Company.

# Independent auditor's report to the members of Lloyds Bank General Leasing (No. 11) Limited

## Report on the audit of the financial statements

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### Opinion

In our opinion, the financial statements of Lloyds Bank General Leasing (No. 11) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity 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 auditor's responsibilities for the audit of the financial statements section of our report.

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, including the Financial Reporting Council's (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 statement prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter.

## **Independent auditor's report to the members of Lloyds Bank General Leasing (No. 11) Limited (continued)**

### **Other information**

The other information comprises the information 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 our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibility, 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.

### **Auditor's 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 auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Independent auditor's report to the members of Lloyds Bank General Leasing (No. 11) Limited (continued)**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of its policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

## **Independent auditor's report to the members of Lloyds Bank General Leasing (No. 11) Limited (continued)**

### **Report on other legal and regulatory requirements**

#### **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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

#### **Use of our 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 auditor's 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.



Paul Cowley CA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
28 March 2022