CARDIFF

Company Number 09206480

LINGFIELD 2014 I HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS AND COMPANY INFORMATION

DIRECTORS

Intertrust Directors 1 Limited (previously named SFM Directors Limited)
Intertrust Directors 2 Limited (previously named SFM Directors (No.2) Limited)
Claudia Wallace

COMPANY SECRETARY

Intertrust Coporate Services Limited (previously named SFM Corporate Services Limited)

REGISTERED OFFICE

35 Great St Helen's
LONDON
EC3A 6AP

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Hays Galleria
1 Hays Lane
LONDON
SE1 2RD

BANKERS

Lloyds Bank plc
25 Gresham Street
LONDON
EC2V 7HN

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for Lingfield 2014 I Holdings Limited ("the Company") for the year ended 31 December 2016.

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 entitlement to small companies exemptions provided in sections 414B (as incorporated into the Act by the Strategic Report and Directors' Report Regulations 2013) and 415A of the Act.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as a holding company for Lingfield 2014 I plc (the "Subsidiary").

The Directors do not envisage any changes to the nature of the business or the principal activity of the Company in the foreseeable future.

RESULTS AND DIVIDENDS

During the year ended 31 December 2016, the Company did not engage in any trading activity. The results for the year are set out on page 6. The loss after taxation for the year amounted to £245 (2015: loss of £272).

The Directors do not recommend payment of a dividend for the year under review.

BUSINESS STRUCTURE

The Company is the parent company of Lingfield 2014 I plc. Intertrust Corporate Services Limited holds the entire issued share capital of the Company comprising 1 ordinary share of £1. The share is held in trust for the benefit of certain charities.

RISK MANAGEMENT

The principal risks arising from the Company's assets and liabilities are credit risk and market risk. Further analysis of the risks facing the Company in relation to its assets and liabilities and the Company's financial risk management policies are provided in note 8.

DIRECTORS

The Directors who served during the year and as at the date of this report are as stated on page 1.

THIRD PARTIES INDEMNITIES

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the period under review and remain in force as at the date of approval of the Directors' report and financial statements.

COMPANY SECRETARY

The Company Secretary who served during the year and as at the date of this report are as stated on page 1.

DIRECTORS AND EMPLOYEES

The Company did not employ any staff during the year ended 31 December 2016 (2015: none).

During the year under review, the Directors did not earn any remuneration from the Company in respect of qualifying services to the Company (2015: £nil).

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 the 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.

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.

INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

The auditors, PricewaterhouseCoopers LLP, were appointed by the directors as the first auditors of the Company during the period under review. Having expressed their willingness to continue in office and in accordance with section 487 of the Companies Act 2006, a written resolution of the shareholder will be passed for the re-appointment of PricewaterhouseCoopers LLP as auditor of the Company.

STATEMENT OF GOING CONCERN

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. Although the Company has negative reserves, there is no impact on the Company as the losses relate to interest on a loan which is not due to be repaid until the Company has sufficient funds to make repayment. It is expected that the Company will receive sufficient funds from its investment in subsidiary to make full repayment. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the Board

Helena Whitaker
Per pro Intertrust Directors 1 Limited
As Director
16 June 2017

Independent auditors' report to the members of Lingfield 2014 I Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Lingfield 2014 I Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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

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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Darren Meek

Darren Meek (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 June 2017

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Interest payable	2	(245)	(272)
Loss before tax for the year		(245)	(272)
Taxation	3	-	-
Loss for the year		(245)	(272)

There are no items of comprehensive income which have not already been presented in arriving at the loss for the year. Accordingly, the loss for the year is the same as total comprehensive expense for the year.

The loss shown above is derived from continuing operations.

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Assets			
Investment in subsidiary undertaking	4	**12,501**	**12,501**
Cash and cash equivalents	5	**1**	**1**
Total assets		12,502	12,502
Liabilities			
Other payables	6	13,018	12,773
Total liabilities		13,018	12,773
Equity			
Issued share capital	7	**1**	**1**
Accumulated losses		(517)	(272)
Total equity		**(516)**	**(271)**
Total equity and liabilities		12,502	12,502

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

The financial statements on pages 6 to 16 were approved by the Board of Directors on 16 June 2017 and signed on its behalf by

....

Helena Whitaker
Per pro Intertrust Directors 1 Limited
As Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

		Share capital £	Accumulated Losses £	Total equity £
As at 1 January 2016		1	(272)	(271)
Loss for the period		-	(245)	(245)
Balance as at 31 December 2016		1	(517)	(516)

		Share capital £	Accumulated Losses £	Total equity £
From inception		-	-	-
Share capital issued in the period	7	1	-	1
Loss for the period		-	(272)	(272)
Balance as at 31 December 2015		1	(272)	(271)

The accompanying notes on pages 10 to 16 are an integral part of the financial statements.

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

Direct Method	Note	2016 £	2015 £
Investing activities			
Investment in subsidiary undertaking	4	-	(12,501)
Net cash flows used in investing activities		-	(12,501)
Financing activities			
Loan from parent company	6	-	12,501
Proceeds from issue of share capital	7	-	1
Net cash flows generated from financing activities		-	12,502
Net increase in cash and cash equivalents		-	1
Cash and cash equivalents at start of period		1	-
Cash and cash equivalents at 31 December		1	1

The accompanying notes on pages 10 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. SIGNIFICANT ACCOUNTING POLICIES

Lingfield 2014 I Holdings Limited is a company incorporated and registered in England and Wales.

The financial statements were authorised for issue by the Directors on 16 June 2017.

1 (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the IFRS Interpretations Committee ("IFRSIC") as adopted by the European Union.

The financial statements also comply with the relevant provisions of Part 15 of the Companies Act 2006.

The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis has been used in preparing these financial statements.

The financial statements are presented in Sterling which is the Company's functional and presentational currency and have been prepared on the historical cost basis.

The accounting policies set out below have been applied consistently throughout the period under review.

1 (b) Accounting pronouncements effective in 2016

The Company has adopted the following new standards and amendments to standards which became effective for financial years beginning on or after 1 January 2014. None of the standards or amendments to standards has had a material impact on these financial statements.

Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
The amendments to IAS 32 clarify the requirements for offsetting financial instruments and address inconsistencies identified in applying the offsetting criteria used in the standard.

1 (c) Future accounting developments

The following pronouncements may have a significant effect on the Company's financial statements but are not applicable for the period ending 31 December 2016 and have not been applied in preparing these financial statements. Save as disclosed below, the full impact of these accounting changes is being assessed by the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 (c) Future accounting developments (continued)

Pronouncement	Nature of change	IASB effective date
IFRS 9 *Financial Instruments*	Replaces IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 requires financial assets to be classified into three measurement categories, fair value through profit and loss, fair value through other comprehensive income and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. The requirements for derecognition are broadly unchanged from IAS 39. The standard also retains most of the IAS 39 requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value change attributable to the entity's own credit risk is recorded in other comprehensive income. The classification and measurement change is not expected to have a significant impact on the Company. IFRS 9 also replaces the existing IAS 39 'incurred loss' impairment approach with an expected credit loss approach. Loan commitments and financial guarantees not measured at fair value through profit or loss are also in scope. Those changes may result in an increase in the Company's balance sheet provisions for credit losses at the initial application date (1 January 2018) depending upon the composition of the Company's amortised cost financial assets, as well as the general economic conditions and the future outlook. The hedge accounting requirements of IFRS 9 are more closely aligned with risk management practices and follow a more principle-based approach than IAS 39. The general hedging change is not expected to have a significant impact on the Company.	Annual periods beginning on or after 1 January 2018

1 (d) Financial instruments

The Company's financial instruments comprise cash and cash equivalents.

1 (e) Consolidation

The Company is exempt from preparing consolidated financial statements under International Financial Reporting Standard 10 paragraph 4 due to the results of its subsidiary being included in the consolidated financial statements of Lloyds Banking Group plc.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 (f) Investment in subsidiaries

Subsidiary undertakings held for investment are stated at cost less provision for any impairment.

1 (g) Income tax

Current income tax which is payable/receivable on taxable profits/losses is recognised as an expense/credit in the period in which the profits/losses arise. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the Balance Sheet date which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. The tax effects of losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

1 (h) Operating expenses

Lingfield 2014 I plc has agreed to fund the Company's operating expenses, including the audit fee, during the period without recharge and consequently operating expenses are not recognised within these financial statements.

For the year ended 31 December 2016, Lingfield 2014 I plc has borne the Company's audit fee of £3,000 (2015: £3,000).

During the year under review, the Directors did not earn any remuneration from the Company in respect of qualifying services to the Company (2015: £nil).

1 (i) Capital management

As the Company has no significant operations, the Directors do not consider capital management to be necessary.

2. INTEREST PAYABLE

	2016 £	2015 £
Interest payable on loan	245	272

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. TAXATION

	2016	2015
Current Tax	**£**	**£**
Income tax charge for the year	-	-
Total income tax expense in income statement	-	-

Where taxation on the Company's loss for the period differs from the taxation (charge) / credit that would arise using the standard rate of corporation tax of 20% (2015: 20.25%) the differences are explained below:

Loss before tax for the period	(245)	(272)
Loss on ordinary activities before tax multiplied by a rate of corporation tax of 20% (2015: 20.25%)	(49)	(55)
Effects of:		
Income not chargeable for tax purposes	-	-
Losses carried forward on which no deferred tax is recognised	49	55
Total income tax expense in income statement	-	-

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 corporate tax rate to 17% with effect from 1 April 2020.

The Company has an unrecognised deferred tax asset of £88 (2015: £55) in respect of tax losses carried forward which is not expected to be recoverable in the foreseeable future.

4. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2016	2015
	£	**£**
Investment in subsidiary undertaking	**12,501**	**12, 501**

Details of the investment in the subsidiary undertaking are as follows:

Name of Company	Proportion of ordinary shares directly held by parent	Nature of business	Country of incorporation and place of business	Year end
Lingfield 2014 I plc	100%	Financing	UK	31 December

Lingfield 2014 I plc is registered in England and Wales.

The Company holds one fully paid and 49,999 quarter paid £1 ordinary shares in the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash and cash equivalents	1	1

6. OTHER PAYABLES

	2016 £	2015 £
Loan	12,501	12,501
Accrued interest	517	272
	13,018	12,773

The loan granted by Intertrust Corporate Services Limited and accruing interest at a fixed rate of 1.95% per annum totalling £13,018 (2015: £12,773) is due for repayment on 20 January 2017.

7. SHARE CAPITAL

	2016 £	2015 £
Issued, allotted and fully paid		
1 (2015: 1) ordinary share of £1 each	1	1

8. FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business. The Company's exposure to credit risk is limited to cash deposits.

The table below sets out the maximum exposure to credit risk at the Balance Sheet date.

	2016 £	2015 £
Cash and cash equivalents	**1**	**1**

Cash consists of bank balances and has an internal credit rating of better than satisfactory risk. At the reporting date these balances were not considered past due or impaired.

(b) Market risk

Market risk is defined as the potential loss in value or earnings of the Company arising from changes in external market factors. At the reporting date the Company had no exposure to market risk, as all financial assets and liabilities are non-interest bearing or fixed rate and are denominated in Sterling. The Company is not exposed to equity security price risk as the equity investment in subsidiary is not publicly traded.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off Balance Sheet instruments.

The table below sets out the cash flows payable by the Company in respect of financial liabilities, by remaining contractual undiscounted mandatory redemption maturities at the Balance Sheet date.

Loan

	Carrying value	Contractual repayment value	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
	£	£	£	£	£	£	£
As at 31 December 2016	13,018	13,032	13,032	-	-	-	-

	Carrying value	Contractual repayment value	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Later than five years
	£	£	£	£	£	£	£
As at 31 December 2015	12,773	13,032	-	-	13,032	-	-

(d) Fair values
The Company's financial statements have been prepared under the historical cost convention.

No calculation of fair value has been prepared for the Company's financial instruments, as the carrying amount is viewed as a reasonable approximation of fair value.

(e) Offsetting
The Company has no financial assets or financial liabilities which are subject to offsetting, enforceable master netting arrangements or similar agreements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. RELATED PARTY TRANSACTIONS

Intertrust Management Limited ("Intertrust") is a related party by virtue of its role in the securitisation arrangements to which the Company is a party.

The Company has received a loan of £12,501 from Intertrust Corporate Services Limited, which is accruing interest. The amount of interest accrued on the loan during the year ended 31 December 2016 is £245 (2015: £272). The Company is due to repay the loan on 20 January 2017.

The Company's subsidiary undertaking, Lingfield 2014 I plc, funded the Company's operating expenses during the period and will pay the Company's audit fee of £3,000 in respect of the period ended 31 December 2016 (2015: £3,000).

The operating expenses funded by the subsidiary undertaking include corporate services fees paid to Intertrust in connection with its provision of directors and corporate management services.

Intertrust is the parent company of Intertrust Corporate Services Limited, Intertrust Directors 1 Limited and Intertrust Directors 2 Limited.

9. PARENT UNDERTAKING AND CONTROLLING PARTY

Intertrust Corporate Services Limited, a company incorporated and registered in England and Wales, holds the entire issued share capital of the Company on a discretionary trust basis for charitable purposes under a declaration of trust. Under the terms of the Share Trust Deed, the trustees are not entitled to any economic benefit and the beneficiaries have no decision making powers.

Intertrust Corporate Services Limited is a wholly owned subsidiary of Intertrust Management Limited.

The Company's subsidiary meets the definition of a special purpose entity under IFRSs. In accordance with the requirements of IFRS 10 "Consolidated Financial Statements", the subsidiary's financial statements are consolidated within the group financial statements of Lloyds Banking Group plc ("LBG") for the year ended 31 December 2016.

The Company is exempt from preparing consolidated financial statements under IFRS 10 paragraph 4 due to the results of its subsidiary being included in the consolidated financial statements of LBG. Therefore consolidated financial statements of the Company and its subsidiary have not been prepared.

The Directors consider that the Company's ultimate controlling party is LBG which is registered in Scotland. LBG has produced consolidated financial statements for the year ended 31 December 2016. Copies of the annual report and financial statements of LBG may be obtained from the LBG registered office at The Mound, Edinburgh, EH1 1YZ.