

# **ALLIANCE & LEICESTER LIMITED**

**Registered in England and Wales  
Company Number 03263713**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2020**

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## REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2020.

This Report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions provided in section 414B (as incorporated to the Act by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013) of the Act.

### Principal activities and review of the year

Alliance & Leicester Limited (the "Company") has not traded during the year.

### Results and dividends

The result for the year after taxation amounted to £nil (2019: result of £nil).

The Directors do not recommend the payment of a dividend (2019: £nil).

### Brexit and Covid-19

2020 was a demanding year in general with Brexit uncertainty and economic turmoil as a result of the COVID-19 pandemic. The Company continues to monitor the impact of COVID-19 and Brexit on its operations and customers and intends to take a coordinated approach with Group where applicable.

### Post balance sheet events

No adjusting or significant non-adjusting events have occurred between the 31 December 2020 and the date of authorisation of the financial statements.

### Directors

The Directors who served throughout the year and to the date of this report were as follows:

AR Honey	(resigned 15 <sup>th</sup> April 2020)
CJ Wise	(appointed 16 <sup>th</sup> April 2020)
RJ Morrison	

### 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 accounting standards in conformity with the requirements of the Companies Act 2006. Under company law, 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 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.

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.

### Statement of Going Concern and Financial Management

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 2 and 7 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and market risk.

The Company has adequate financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future from the date the financial statements are authorised for issue. However as a result of a subsidiary optimisation programme undertaken by the parent, a decision has been made to liquidate the company in the near future. As required by IAS 1 'Presentation of Financial Statements', management has prepared the financial statements on the basis that the company is no longer a going concern. Preparation of the financial statements on an "other than

## REPORT OF THE DIRECTORS *(continued)*

### Statement of Going Concern and Financial Management (continued)

going concern" basis has resulted in all assets and liabilities being classified as current. Adjustments as a result of the change in preparation on a basis other than going concern were made in prior periods.

### Qualifying Third Party Indemnities

Enhanced indemnities are provided to the Directors of the Company by Santander UK Group Holdings plc against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities remain in force during the financial year and at the date of approval of the Annual Report and Financial Statements and during the financial year. All of the indemnities were qualifying third party indemnities. A copy of each of the indemnities is kept at the registered office address of Santander UK Group Holdings plc.

### Statement of disclosure of information to auditors

Each of the Directors as at the date of approval of this report has confirmed that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Independent auditors

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

### By order of the Board



Christopher Wise  
Director

6 July 2021

Registered office address: 2 Triton Square, Regent's Place, London, NW1 3AN

# Independent auditors' report to the members of Alliance & Leicester limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Alliance & Leicester Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result and cash flows 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, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of comprehensive income, the cash flow statement, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained 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.

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

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### Reporting on other information

The other information comprises all of 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, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude 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 on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

# Independent auditors' report to the members of Alliance & Leicester limited (continued)

## Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to applicable tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management and communication with those charged with governance in relation to known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Performed substantive testing over all the financial statement line items.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

### Use of this report

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.

# Independent auditors' report to the members of Alliance & Leicester limited (continued)

## Other required reporting

### **Companies Act 2006 exception reporting**

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

- we have not obtained 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.

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.



Gareth Lane (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
6 July 2021

## STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

The Company has no comprehensive income or expenses attributable to the equity holders for the current year (2019: £nil).

## STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

	Share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2019	100	11	111
Result and total comprehensive income for the year	-	-	-
Balance as at 31 December 2019	100	11	111
Balance as at 1 January 2020	100	11	111
Result and total comprehensive income for the year	-	-	-
Balance as at 31 December 2020	100	11	111

The accompanying notes form an integral part of the financial statements.

## CASH FLOW STATEMENT

For the years ended 31 December

	Note	2020 £	2019 £
Net cash used in operating activities	5	(1,250)	-
Net decrease in cash and cash equivalents		(1,250)	-
Cash and cash equivalents at beginning of the year		1,361	1,361
Cash and cash equivalents at the end of the year	5	111	1,361

The accompanying notes form an integral part of the financial statements.

**BALANCE SHEET**

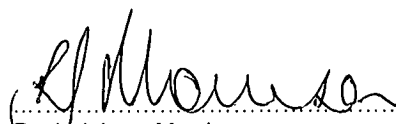
As at 31 December

	Note	2020 £	2019 £
<b>Current assets</b>			
Cash		111	1,361
<b>Total current assets</b>		111	1,361
<b>Total assets</b>		111	1,361
<b>Current liabilities</b>			
Amount due to related companies - group relief		-	(1,250)
<b>Total current liabilities</b>		-	(1,250)
<b>Total liabilities</b>		-	(1,250)
<b>Net assets</b>		111	111
<b>Equity</b>			
Share capital	4	100	100
Retained earnings		11	11
<b>Total equity</b>		111	111

The accompanying notes form an integral part of the financial statements.

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime and the directors make this statement in accordance with section 414(3) of the Companies Act 2006.

The financial statements on pages 6 to 10 were approved by the board of directors, authorised for issue and signed on its behalf by:

  
 Rachel Jane Morrison  
 Director

6 July 2021



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 1. ACCOUNTING POLICIES

Alliance & Leicester Limited is a private company limited by shares, incorporated and domiciled in England and Wales. The registered office is Carlton Park, Narborough, Leicester, LE19 0AL.

The principal accounting policies adopted in the presentation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under International Financial Reporting Standards (IFRS).

IAS 1 requires that financial statements for any Company that has ceased to trade, or where there is an intention for the Company to cease to trade in the foreseeable future, are prepared on an "other than going concern" basis. Accordingly, the financial statements have been prepared under the historical cost convention and on an "other than going concern" basis as disclosed in the Directors' Statement of Going Concern and Financial Management set out in the Report of the Directors. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

The financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company (the functional currency). The financial statements are presented in Pound Sterling, which is the functional currency of the Company.

#### Future accounting developments

At 31 December 2020, for the Company, there were no significant new or revised standard and interpretations, and amendments thereto, which have been issued but which are not yet effective or which have otherwise not been early adopted where permitted.

#### Recent accounting developments

##### Interest Rate Benchmark Reform:

In September 2019, the IASB issued "Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7" which must be applied for annual periods beginning on or after 1 January 2020. In August 2020, the IASB issued "Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16". These amendments apply only to changes required by IBOR reform to financial instruments and hedging relationships. The amendments are effective from 1 January 2021.

As the Company has no hedge accounting relationships, the Phase 1 amendments and the amendments relating to hedge accounting in Phase 2 do not apply. The transition from IBOR to Risk Free Reference Rates (RFR) has no impact on the Company's financial statements for the year ended 31 December 2020.

#### Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks, short term investments in securities and bank overdrafts repayable on demand.

#### Financial Instruments

##### **a) Initial recognition and measurement**

Financial assets and liabilities are initially recognised when the Company becomes a party to the contractual terms of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition and measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI.

##### **b) Financial assets and liabilities**

##### *Classification and subsequent measurement*

The Company has applied IFRS 9 Financial Instruments and classifies its financial assets in the measurement categories of amortised cost. At the balance sheet date, financial assets were measured at amortised cost.

All financial liabilities are measured at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

For the year ended 31 December 2020

**1. ACCOUNTING POLICIES** *(continued)***Share capital**

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes.

**Dividends**

Dividends on ordinary shares are recognised in equity in the period in which they are declared and approved.

**Critical accounting judgements and key sources of estimation uncertainty**

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in financial statements. There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**2. FINANCIAL RISK MANAGEMENT**

The Company is not exposed to any significant risks based on its business activities, as such no sensitivity analysis is required. The Company manages its risk in line with the central risk management function of the HoldCo Group. The HoldCo's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the HoldCo Group's regulators.

Effective and efficient risk governance and oversight provide management with assurance that the HoldCo Group's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the HoldCo Group's strategic objectives.

Authority flows from the HoldCo Group Board to the Chief Executive Officer and from him to specific individuals. Formal standing committees are maintained for effective management of oversight. Their authority is derived from the person they are intended to assist. Further information can be found in the Santander UK Group Holdings plc annual report which does not form part of this report.

**3. RESULT FROM OPERATIONS**

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by Santander UK plc, a UK fellow subsidiary of the company's parent company. The Directors' services to the Company are an incidental part of their duties. No emoluments were paid by the Company to the Directors during the year (2019: £nil).

The Company had no employees in the current or previous financial year.

The statutory audit fee of £7,002 (2019: £5,665) was paid on the Company's behalf by its UK parent company, Santander Equity Investments Limited, in accordance with Company policy and no recharge has been made.

**4. SHARE CAPITAL**

	2020 £	2019 £
<b>Authorised, issued and fully paid:</b>		
200 ordinary shares at £0.50 each (2019: 200 ordinary shares at £0.50 each)	100	100

**5. NOTE TO THE CASH FLOW STATEMENT**

	2020 £	2019 £
<b>Changes in operating assets and liabilities:</b>		
Change in payables	(1,250)	-
<b>Net cash used in operating activities</b>	<b>(1,250)</b>	<b>-</b>

Where tax liabilities have been group relieved, they are accounted for as operating payables.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2020

### 6. RELATED PARTY TRANSACTIONS

#### Trading transactions

The trading transactions with related parties relate to interest received on amounts due from group entities.

Related party transactions at balance sheet date are as follows:

	Amounts due to related parties	
	2020	2019
	£	£
Fellow Subsidiary company	-	1,250

There were no related party transactions during the year, or existing at the balance sheet date, with the Company's or parent company's key management personnel.

### 7. CAPITAL MANAGEMENT AND RESOURCES

The Company's ultimate UK parent, Santander UK Group Holdings plc (the Santander UK Group) adopts a centralised capital management approach, based on an assessment of both regulatory requirements and the economic capital impacts of businesses in the Santander UK Group. The Company has no non-centralised process for managing its own capital. Disclosures relating to the Santander UK Group's capital management can be found in the Santander UK Group Holdings plc annual report and financial statements.

Capital held by the Company and managed centrally as part of the Santander UK Group, comprises share capital and reserves which can be found in the Balance Sheet on page 7.

### 8. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Santander Equity Investments Limited, a company registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Banco Santander SA, a company registered in Spain. Banco Santander SA is 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. Santander UK Group Holdings plc is the parent undertaking of the smallest group of undertakings for which the group Financial Statements are drawn up and of which the Company is a member.

Copies of all sets of group Financial Statements, which include the results of the Company, are available from Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN.

### 9. CONTINGENT LIABILITY

Santander UK Group Holdings plc and its subsidiaries ("Santander UK group") engages in discussion, and co-operates, with HM Revenue & Customs (HMRC) in their oversight of the Santander UK group's tax matters. The Santander UK group adopted the UK's Code of Practice on Taxation for Banks in 2010.

Certain leases in which current or previous members of the Santander UK group is or were the lessor are currently under review by HMRC in connection with claims for tax allowances. Under the terms of the lease agreements, certain members of the Santander UK group, including the company's parent, are fully indemnified in all material respects by the respective lessees for any liability arising from the disallowance of tax allowances plus accrued interest. Whilst legal opinions have been obtained to support the Santander UK group's position, the matter remains uncertain pending formal resolution with HMRC and subsequent litigation. In 2020, as required under the terms of the leases these matters have moved to formal litigation. In return for payments to the lessor companies the Company has received the benefit of the claims for tax allowances via group relief surrendered from one or more of the lessor companies. If HMRC were successful the Company would be required to pay up to £120,400,000 in corporation tax and interest which it would then reclaim from the lessor companies.

### 10. POST BALANCE SHEET EVENTS

No adjusting or significant non-adjusting events have occurred between the 31 December 2020 and the date of authorisation of the financial statements.