

COMPANY REGISTRATION NUMBER: 09366434

LV REPAIR SERVICES LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2020

LV REPAIR SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2020

	Page
Directors, officers and registered office	3
Strategic report	4
Directors' report	6
Independent auditors' report	10
Statement of Comprehensive Income	14
Statement of Changes in Equity	15
Statement of Financial Position	16
Statement of Cash Flows	17
Notes to the financial statements	18

LV REPAIR SERVICES LIMITED

DIRECTORS, OFFICERS AND REGISTERED OFFICE

Directors

S Treloar
J M Dye

Company Secretary

C M Twemlow (appointed 01.02.21)
R C Jack-Kee (appointed 01.01.20) (resigned 01.02.21)

Registered office

57 Ladymead,
Guildford,
Surrey,
England,
GU1 1DB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

STRATEGIC REPORT

1. Principal activities

LV Repair Services Limited ('Company') is a wholly owned subsidiary within the Allianz Holdings plc ('AZH') group of companies ('Allianz', 'the Group') which is one of the largest general insurers in the United Kingdom measured by gross written premium. The Company's principal purpose is to provide repair engineering services to the policyholders of Liverpool Victoria Insurance Company Limited and Highway Insurance Company Limited.

2. Results and dividends

The profit for the financial year was £9,948,000 (2019: £13,646,000 (unaudited)) as set out on page 14. The Directors have declared and paid £21,000,000 as an interim dividend during the current year (2019: £11,000,000 (unaudited)). At the time these financial statements are authorised, the Directors have proposed no further dividend is declared or paid. See note 16 for further details.

3. Business review and developments

(a) Results and performance

The profit after taxation is down 27% on last year, as set out on page 14. Revenue is down by 15% on last year. These results mainly reflect the reduction in the need for repair engineering services to policyholders due to the impact of the worldwide COVID-19 pandemic. During 2020 the Company has continued to support Liverpool Victoria General Insurance Group ('LVGIG Group') in its long term strategic objectives and has net assets at year-end of £3,658,000 (2019: £14,710,000 (unaudited)).

(b) Strategy

The Company is a subsidiary of Liverpool Victoria Insurance Company Limited ('LVIC'), which in turn is a major subsidiary of Liverpool Victoria General Insurance Group Limited ('LVGIG'). The long term objective of LVGIG and its subsidiaries is as follows:

Our vision remains to be Britain's best loved, achieving this through people centricity, maintaining our customer satisfaction and retention rates, and growth through outperformance particularly in the Motor market. The strategy now includes the successful integration of the business acquired through the purchase of Fairmead Insurance Limited and realising benefits from the Allianz ownership of LVGIG.

The Company is part of the repair engineering activities within LVGIG and supports the main operating entities in achieving the overall objective of LVGIG. The Directors do not anticipate any change in this status in the near future.

(c) Principal risks and uncertainties

COVID-19: The global pandemic was a new and significant source of uncertainty for the business in 2020. From the emergence of the risk at the start of the year, LVGIG closely monitored the situation with senior leaders meeting on a regular basis to manage operational risk and responses. There was close alignment and interaction with Allianz to ensure the Company benefited from the wider Allianz response. Our values guided our decision making as the Company continued to work through this challenging time, with a focus on putting our people first and our customers at the heart of what we do. The key risks presented being both operational and financial which we are still continuing to actively monitor and manage on a regular basis as we did throughout the year. Consistent communications have and are continuing to take place across the organisation to keep all colleagues informed throughout this period of uncertainty. The risks largely came to the fore from late February 2020 onwards, as new information emerged and the government response developed.

Over the year we worked closely with our key suppliers to understand and manage the impact of COVID-19 on our supply chain. The reduced demand helped these companies to operate with their own diminished operational capabilities but equally put financial pressure on many of them.

STRATEGIC REPORT

Given the nature of the operations the Directors do not consider there are any other significant risks and uncertainties facing the Company.

(d) Significant post statement of financial position events

There have been no events of significance affecting the Company since the statement of financial position date.

(e) Key performance indicators ('KPIs')

Given the nature of the Company's operations the Directors do not consider the use of KPIs to be appropriate.

On behalf of the Board of Directors



S Treloar
Director

September 28, 2021

DIRECTORS' REPORT

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results and dividends;
- Principal activities of the Company;
- Business review and future prospects;
- Principal risks and uncertainties and risk management.

Directors and their interests

The members of the Board and those who were in office during the year and up to the date of signing the financial statements are listed on page 3.

Parent company

The Company is a wholly owned subsidiary of LVIC, which is in turn wholly owned by LVGIG. LVGIG is a wholly owned subsidiary of Allianz Holdings plc. The ultimate parent company is Allianz SE ('AZ SE') a European multinational financial services company headquartered in Munich, Germany.

Employees

The Company does not employ any staff. During the year, LVGIG and Allianz Management Services Limited ('AMSL'), both subsidiaries of AZH, provided administration services and staff to the Company and to other Allianz Group companies. LVGIG and AMSL have a high level of resources and expertise which benefit the Company.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Auditor

Pursuant to section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been re-appointed as auditors at the end of 28 days beginning with the day on which copies of these report and financial statements are sent to Members.

DIRECTORS' REPORT

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the 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 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 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.

DIRECTORS' REPORT

Streamlined Energy and Carbon Reporting (SECR)

We fulfil the statutory requirements for Streamlined Energy and Carbon Reporting which includes disclosure of the Company's carbon emissions. Under the Companies Act 2006 / SECR Regulations, 'Large' companies' are required to report their annual emissions in their Directors' report.

Liverpool Victoria General Insurance Group Limited Streamlined Energy and Carbon Reporting statement covers the reporting period 01/01/2020 - 31/12/2020 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.

A 'Dual Reporting' methodology has been used to indicate emissions using UK electricity grid average emission factors (known as the 'Location Based' method), and also emissions using supplier specific generation emission factors (the 'Market Based' method).

'Location Based' Method

The total energy consumption for 2020 was 6,502,491.91 kWh equating to 1,469.501 tCO₂e

Carbon intensity: Emissions of tCO₂e/full-time equivalent during 2020 was 0.34 tCO₂e

However, for the companies' purchased electricity, the strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin (REGO) certificates. Through this strategy, within the above 2020 total energy consumption, the company has sourced a total of 1,656,109.00 kWh of REGO backed (zero emission) electricity.

'Market Based' Method

The total energy consumption for 2020 was 6,502,491.91 kWh equating to 715.322 tCO₂e

Carbon intensity: Emissions of tCO₂e/ full-time equivalent during 2020 was 0.17 tCO₂e

Qualifying information on the above data:

- This statement has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ('GHG') Protocol Corporate Accounting and Reporting Standard.
 - This is the Company's first year of Streamlined Energy and Carbon Reporting and as such 2019 data has not been recorded.
 - tCO₂e is the tonnage of equivalent carbon emissions generated by the various greenhouse gasses (carbon dioxide, methane, nitrous oxide etc.) each of which has a 'Global Warming Potential' factor that is included in the above emission figure.
 - An operational control approach has been applied to consolidate the above data.
 - This report covers Liverpool Victoria General Insurance Group Limited (04332926), Liverpool Victoria Insurance Company Limited (03232514), Highway Insurance Company Limited (03730662), Fairmead Insurance Limited (00423930) & LV Repair Services Limited (09366434).
 - Applied a 60% diesel & 40% petrol split for transport, where data didn't provide a break between fuel types.
 - Total full-time equivalent for use as the Metric are 4302.
 - Where required company car and staff business emissions has been calculated on an average car basis.
 - 3rd Party Purchased (landlord supplied) electricity & gas included using average sites (Sq ft) against where NUS hold the actual consumption. Landlord supplied electricity has been in most cases confirmed as renewable.
 - Scope 2 3rd Party Gas is relating to heat supplied by the landlord.
1. As per the GHG Protocol, a dual reporting method has been applied - 'Location Based' and 'Market Based'.
 2. Carbon intensity includes all Scope emissions in the calculation.

Energy Efficiency actions taken during the 2020 period:

DIRECTORS' REPORT

LED lighting upgrades completed at LVGIG 2410 Aztec West, Bristol office

Approved by the Board of Directors and signed by order of the Board



C Twemlow
Secretary

September 28, 2021

Independent auditors' report to the members of LV Repair Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, LV Repair Services 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 profit 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 Report and Financial Statements (the "Annual Report"), which comprise: the statement of Financial position as at 31 December 2020; the statement of comprehensive income, the statement of cash flows 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.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LV REPAIR SERVICES LIMITED

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 Strategic report and Directors' report, 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.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report 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 Strategic report and Directors' report.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LV REPAIR SERVICES LIMITED

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches in UK Company Law, 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 to reduce expenditure of the Company. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit, senior management involved in the Risk and Compliance function and the Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board of Directors and attending all Audit Committee meetings;
- Reviewing the Company's register of litigation and claims, internal audit reports, compliance reports in so far as they related to non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by certain senior management.

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. 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.

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.

Other matter

The financial statements for the year ended 31 December 2019, forming the corresponding figures of the financial statements for the year ended 31 December 2020, are unaudited.



Adam Beasant (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Reading

28 September 2021

LV REPAIR SERVICES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	2020 £000	Unaudited 2019 £000
Revenue	4	144,307	170,460
Investment Income	5	77	104
Total income		144,384	170,564
Cost of sales	6	(127,895)	(150,190)
Admin Expense	7	(4,208)	(3,527)
Total expenses		(132,103)	(153,717)
Profit before tax		12,281	16,847
Income tax expense	10	(2,333)	(3,201)
Profit for the financial year		9,948	13,646
Total comprehensive income for the year		9,948	13,646

All balances relate to continuing activities.

The notes on pages 18 to 27 are an integral part of the financial statements.

LV REPAIR SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	Attributable to equity holders of the Company		
		Share capital	Retained earnings	Total
		£000	£000	£000
Balance at January 1, 2020		100	14,610	14,710
Dividends	16	-	(21,000)	(21,000)
Profit for the financial year and total comprehensive income	16	-	9,948	9,948
Balance at December 31, 2020		100	3,558	3,658

Unaudited		Attributable to equity holders of the Company		
		Share capital	Retained earnings	Total
		£000	£000	£000
Balance at January 1, 2019		100	11,964	12,064
Dividends	16	-	(11,000)	(11,000)
Profit for the financial year and total comprehensive income	16	-	13,646	13,646
Balance at December 31, 2019		100	14,610	14,710

The notes on pages 18 to 27 are an integral part of the financial statements.

LV REPAIR SERVICES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

		2020	Unaudited Restated 2019
	Note	£000	£000
Assets			
Cash and cash equivalents*	13	199	18,323
Other receivables	11	4,889	46
Prepayments and accrued income	12	536	597
Total assets		5,624	18,966
Liabilities			
Trade and other payables	14	1,966	2,875
Current tax liability	10	-	1,381
Total liabilities		1,966	4,256
Equity			
Share capital	15	100	100
Retained earnings	16	3,558	14,610
Total equity		3,658	14,710
Total liabilities and equity		5,624	18,966

*Please refer to the restatement note as described on page 20

The notes on pages 18 to 27 are an integral part of the financial statements.

The financial statements on pages 14 to 27 were approved by the Board of Directors.

Signed on behalf of the Board of Directors



S Treloar
Director

September 28, 2021

LV REPAIR SERVICES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

		2020	Unaudited Restated 2019
	Note	£000	£000
Cash and cash equivalents at January 1	13	17,560	(1,108)
Cash flows arising from:			
Operating activities			
Cash generated from operating activities	17	7,276	18,347
Net decrease in investments held at FVTPL*		-	(2,938)
Net increase in investments held as short term deposits*	13	-	18,323
Income tax paid	10	(3,714)	(4,168)
Net cash flows generated from operating activities		3,562	29,564
Investing activities			
Interest from cash and cash equivalents	5	77	104
Net cash flows generated from investing activities		77	104
Financing activities			
Dividends paid	16	(21,000)	(11,000)
Net cash used in financing activities		(21,000)	(11,000)
Net increase in cash and cash equivalents		(17,361)	18,668
Cash and cash equivalents at December 31	13	199	17,560

The notes on pages 18 to 27 are an integral part of the financial statements.

*Please refer to the restatement note as described on page 20

LV REPAIR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

1. General information

LV Repair Services Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom. The principal purpose of the Company is to provide repair engineering services to the policyholders of Liverpool Victoria Insurance Company Limited and Highway Insurance Company Limited.

2. Accounting policies

BASIS OF PRESENTATION

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 as applicable to companies using IFRS.

The financial statements have been prepared under the historical cost convention. Items included in the financial statements are measured using the currency of the primary economic environment (the 'functional currency') which is sterling. Unless otherwise noted, the financial statements are presented in sterling (the 'presentation currency').

The preparation of the financial statements in conformity with IFRS requires the use of estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The Company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS.

The principal accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Going concern

We are confident in the Company's ability to continue as a going concern. The business is well placed in managing the principal risks and uncertainties, has a strong financial, trading and capital position and is owned by one of the largest property and casualty insurers in the world.

Revenue

Revenue relates to the administration of repair engineering services, which are invoiced at the point of completion of the services. Both revenue and the cost of sales are recognised at the point of completion of the services. Separately the Company accrues for negotiated allowances receivable from suppliers and partners.

Investment income

Investment income is Interest Income on cash and cash equivalents only.

Income tax expense

The income tax expense reflects the movement in current and deferred income tax in respect of income, gains, losses and expenses and is recorded in the Statement of Comprehensive Income ('SOC') and represents the current year corporation tax charge. Corporation tax is charged on trading profits arising in the year.

Current income tax

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position ('SOP') date.

2. Accounting policies (continued)

Deferred tax

Deferred income tax is recognised, 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 income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the SOFP date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Other receivables

Other receivables are initially measured at fair value and then subsequently measured at amortised cost using the effective interest rate method. Other receivables include repurchase agreements and represent the consideration paid to the borrower. Other receivables are recognised when due.

Impairment of financial assets

The Company has financial assets that are subject to the expected credit loss model. An expected credit loss ("ECL") provision is assessed as at the Balance Sheet date and the carrying amount of the receivables balance is reported after deduction of any ECL. The Company has adopted the "simplified approach" in determining the ECL. Under this approach, the ECL is calculated as the book cost of the receivables multiplied by a 1 year probability of default ("PD"), an appropriate loss given default ("LGD") and the number of days to maturity as a fraction of a year ("tenor").

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term bank deposits with an original maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are as defined above but are shown net of outstanding bank overdrafts.

Trade and other payables

Trade and other payables are recognised as they fall due. They are initially recognised at fair value and subsequently held at amortised cost.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Dividend distribution

Dividend distribution to the Company's equity shareholder is recognised in equity in the period in which the dividend is paid.

2. Accounting policies (continued)

Restatement

The company continues to choose to restate the balances for prior periods where it considers such presentational restatement provides a clearer view of the performance in the year to the user of the financial statement.

In preparing the account this year the presentation of the investment in Blackrock Liquidity Fund has been restated from Financial Assets Fair Value in through Income to Cash and Cash equivalent, as Short-term Bank Deposits. This is in line with accounting policy adopted by all other

LVGIG legal entities, which changed their presentation during 2019. The reason for the change in presentation for all LVGIG legal entities in 2019 was to ensure alignment with the Allianz Accounting policy, whereby highly liquid investments, where the majority of assets mature with 3 months, are classed as Cash and Cash Equivalents. This presentation reclassification was missed in error for the Company and hence the restatement of £15,385,000.

The change has meant that the Financial Assets Fair Value in through Income for 2019 are restated from £18,323,000 to nil and Cash and Cash equivalents have been restated from an overdraft of -£763,000 to £17,560,000.

New standards and interpretations

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Capital management and risk management and control

Capital management

The Company's capital risk is determined with reference to the requirements of the Allianz Holdings plc group. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of dividends and the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At December 31, 2020 the Company had £3,658,000 (2019: £14,710,000 (unaudited)) of total capital employed. The Company's operations are primarily based in the United Kingdom hence any risk exposure is almost entirely confined within the UK.

Financial Risk

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not exposed to market risk as all invested assets are cash related and are not held for the purpose of generating investment income.

3. Capital management and risk management and control (continued)

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when the fall due. The Company is exposed to credit risk through its amounts due from group undertakings and cash and cash equivalents. The Company deems this risk to be low as the amounts are due from fellow Allianz SE Group subsidiaries and as such are A rated and cash and cash equivalents which are A rated.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is exposed to liquidity risk through its amounts due to group undertakings. Liquidity risk for the Company is mitigated as the Company largely finances through intercompany transactions and the Company has sufficient liquid assets to meet its liabilities as they fall due

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset in the Statement of Financial Position when the Company intends to apply a current legally enforceable right to offset. Currently there is no offsetting.

LV REPAIR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

4. Revenue

	2020	Unaudited 2019
	£000	£000
Total Revenue	144,307	170,460

5. Investment Income

	2020	Unaudited 2019
	£000	£000
Income from cash and cash equivalents		
- Interest Income	77	104
	77	104

6. Cost of Sales

	2020	Unaudited 2019
	£000	£000
Cost of Sales	127,895	150,190

Cost of Sales represents the cost of 3rd party repair engineering services.

7. Admin Expense

	2020	Unaudited 2019
	£000	£000
Management Charge	4,197	3,414
Other Fees	11	113
	4,208	3,527

Management charge is charged by LVGIG for providing administration services and staff to the Company. Other Fees relate to IT access costs.

8. Auditors' remuneration

	2020	Unaudited 2019
	£000	£000
Audit of the Company	24	-
	24	-

There were no other services carried out by the Auditors in respect of the Company.

9. Directors' emoluments

The emoluments of the directors are paid by the ultimate parent company which makes no recharge to the Company. The directors are also directors of LVGIG (and a number of fellow subsidiaries) and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments. Total emoluments for the relevant directors are included in the aggregate of Directors' emoluments disclosed in the financial statements of LVGIG.

LV REPAIR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

10. Income tax expense

a) Current year tax expense

	2020	Unaudited 2019
	£000	£000
Current tax expense:		
Corporation tax	2,333	3,201
Total current tax	2,333	3,201
Total income tax expense	2,333	3,201

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2020	Unaudited 2019
	£000	£000
Profit before tax	12,281	16,847
Income tax expense calculated at 19.00% (2019: 19.00% (unaudited))	2,333	3,201
Income tax expense recognised in profit or loss	2,333	3,201

The tax rate used for the 2020 and 2019 reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law in that jurisdiction.

b) Tax paid for cash flow purposes

	2020	Unaudited 2019
	£000	£000
Current tax payable at January 1	1,381	2,348
Amounts charged to the income statement	2,333	3,201
Tax (paid) during the year	(3,714)	(4,168)
Current tax payable at December 31	-	1,381

LV REPAIR SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020****11. Other receivables**

	2020	Unaudited 2019
	£000	£000
Other receivables	4,889	46
	4,889	46

All receivables are available within one year of the balance sheet date. The company has concluded that the expected credit model has no material impact on the valuation of other receivables reported in the financial statement (2019: none (unaudited)).

12. Prepayments and accrued income

	2020	Unaudited 2019
	£000	£000
Accrued income	536	597
	536	597

All accrued income are available within one year of the balance sheet date.

13. Cash and cash equivalents

	2020	Unaudited Restated 2019
	£000	£000
Bank balances	199	-
Short term bank deposits*	-	18,323
Cash and cash equivalents per statement of financial position	199	18,323
Non-offsettable Bank overdrafts	-	(763)
Cash and cash equivalents per statement of cash flows	199	17,560

*Please refer to the restatement note as described on page 20

LV REPAIR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

14. Trade and other payables

	2020	Unaudited 2019
	£000	£000
Trade and other payables:		
Bank Overdrafts	-	763
VAT	343	401
Amounts due to Group undertakings	1,617	1,703
Accruals	6	8
	1,966	2,875

All trade and other payables are due within one year of the balance sheet date.

15. Share capital

	2020	Unaudited 2019
	£000	£000
Ordinary shares, allotted and fully paid		
100 ordinary shares (2019:100 (unaudited)) of £1,000 each	100	100
	100	100

All authorised shares have been issued.

16. Retained Earnings

	2020	Unaudited 2019
	£000	£000
Balance at January 1	14,610	11,964
Profit for the year	9,948	13,646
Dividends paid	(21,000)	(11,000)
Balance at December 31	3,558	14,610

17. Cash generated from operating activities

	2020	Unaudited 2019
	£000	£000
Profit before tax	12,281	16,847
Investment income	(77)	(104)
Non-cash items		
Changes in working capital		
(Increase)/Decrease in other receivables	(4,843)	41
Decrease in prepayments and accrued income	61	246
/(Increase)/Decrease in trade and other payables	(146)	1,317
Cash generated from operating activities	7,276	18,347

LV REPAIR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

18. Related party transactions

The Company did not enter into transactions with key management personnel. Details of significant transactions carried out during the year with related parties are as follows:

The following transactions have taken place between the Company and the LV GI Group:

	2020 £000	Unaudited 2019 £000
Sales to Liverpool Victoria Insurance Company Limited	128,403	152,940
Sales to Highway Insurance Company Limited	15,904	17,520
Management charge payable to Liverpool Victoria General Insurance Group Limited	(4,197)	(2,580)
Management charge payable to LV Insurance Management Limited	-	(834)
	140,110	167,046

The following transactions took place between the Company and LVIC:

	2020 £000	Unaudited 2019 £000
Dividend to Liverpool Victoria Insurance Company Limited	(21,000)	(11,000)
	(21,000)	(11,000)

Balances outstanding between the Company and LVGIG:

	2020 £000	Unaudited 2019 £000
Payable from the Company to group undertakings	1,617	1,703
	1,617	1,703

LV REPAIR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

19. Ultimate parent company

The ultimate parent company and ultimate controlling party is Allianz SE, a European multinational financial services company headquartered in Munich, Germany.

The immediate parent company is Liverpool Victoria General Insurance Group Limited ('LVGIG'), a limited liability company, incorporated in the UK.

The immediate parent company is registered at the below addresses.

57 Ladymead,
Guildford,
Surrey,
England,
GU1 1DB

The largest company whose financial statements this company is consolidated into is Allianz SE. The smallest company whose financial statements this company is consolidated into is Allianz Holdings plc. With effect from December 31, 2019 LVGIG is a 100% owned subsidiary of Allianz Holdings plc (2019: 100% (unaudited)), when it purchased the remaining 51% from the previous parent LV Capital plc.

The consolidated financial statements of Allianz SE and Allianz Holdings Plc are available to the public and may be obtained by post from:

The Company Secretary
57 Ladymead,
Guildford,
Surrey,
England,
GU1 1DB

or

Allianz
Königinstrasse 28
D-80802 Munich
Germany