Cavendish Online Limited

Annual report and financial statements for the year ended 31 December 2024

Registered office

234 High Street
Exeter
EX4 3NL
United Kingdom

Registered number

04045709

Current directors

J C Nelmes
R M St Louis
R A Messenger

Company Secretary

G J Donaldson

Member of Lloyds Banking Group

Directors' report

For the year ended 31 December 2024

The Directors present the Annual report and audited financial statements of Cavendish Online Limited (the 'Company') for the period ended 31 December 2024.

The Company is a wholly owned subsidiary of Lloyds Bank Insurance Services Limited and is part of the Insurance, Pensions and Investments (IP&I) Division of Lloyds Banking Group (the "Group").

The Company has taken the exemption available under section 414B of the Companies Act 2006 not to prepare a Strategic report.

Principal activity

The principal activity of the Company is to provide discount brokerage services for life insurance and other protection products.

General information

The Company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, domiciled in England and registered in England and Wales (registered number: 04045709). The Company is regulated by the Financial Conduct Authority ("FCA").

Company performance

The result of the Company for the year ended 31 December 2024 is a loss after taxation of £1,031,000 (2023: £17,000 loss) as set out in the Statement of comprehensive income on page 4.

The total net assets of the Company at 31 December 2024 are £710,000 (2023: £241,000).

On 18 June 2024, the Company allotted 15,000,000,000 new ordinary shares of £0.0001 each to its immediate parent company Lloyds Bank Insurance Services Limited in exchange for the receipt of £1,500,000.

Key performance indicators (KPIs)

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

The development, performance and position of the IP&I Division are presented within Lloyds Banking Group plc’s annual report, which does not form part of this report.

Future outlook

The Directors consider that the Company's principal activities will continue to be unchanged in the foreseeable future.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further details of the Company’s and Group's risk management policy are contained in note 18 to the financial statements.

Economic environment

The current financial year has been a year of change and economic uncertainty, with the cost of living crisis, rising geopolitical tensions and an ongoing climate emergency.

These factors have all contributed to increasing the cost of living which impacts the Group and customers of its subsidiaries.

In line with the Group's purpose of Helping Britain Prosper and it's clear customer focus, the Group continues to provide support to those most affected by changes to the economic environment.

The Company will continue to monitor the situation and risks to the business.

Directors' report (continued)

For the year ended 31 December 2024

Dividends

No dividends were paid or proposed during the year ended 31 December 2024 (2023: £nil).

Directors

The names of the current Directors are listed on the front cover.

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

R A Messenger	(appointed 20 December 2024)
V Flenk	(resigned 7 June 2024)

Registered address

The Company changed its registered address from 20 Cathedral Yard, Exeter, EX1 1HB to 234 High Street, Exeter, EX4 3NL on 6 February 2024.

Directors' indemnities

Lloyds Banking Group plc has granted to the Directors of the Company a deed of indemnity which constitutes 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of any Director who joined the Board of the Company during the financial year. Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this deed of indemnity during that period of service. The Deed for existing Directors is available for inspection at the registered office of Lloyds Banking Group plc. In addition, the Group has in place appropriate Directors and Officers Liability Insurance cover which was in place throughout the financial year.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the note 1 to the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether the financial statements comply with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)
For the year ended 31 December 2024

Directors' confirmations

Each of the Directors, as listed in the Directors report, confirm to the best of their knowledge that:

- the Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Directors report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risk and uncertainties that it faces.

Auditor and disclosure of information to Auditor

In accordance with Section 418 of the Companies Act 2006, in the case of each Director in office at the date the Directors' report is approved:

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

Independent auditor

Pursuant to section 487(2) of the Companies Act 2006, the auditor duly appointed by the members of the Company shall, subject to any resolution to the contrary, be deemed to be re-appointed for the next financial year.

On behalf of the Board of Directors:

R A Messenger
Director

4 June 2025

Statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue		**6,072**	4,102
Commission expense		**(329)**	(87)
Net commission income	4	**5,743**	4,015
Other operating income	5	**-**	495
Interest expense	6	**-**	(3)
Loss on disposal of property, plant and equipment		**(6)**	(4)
Depreciation of property, plant and equipment	13	**(61)**	(71)
Other operating expenses	7	**(7,004)**	(4,448)
Loss before tax		**(1,328)**	(16)
Taxation	9	**297**	(1)
Loss after tax, being total comprehensive expense		**(1,031)**	(17)

The notes set out on pages 8 to 19 are an integral part of these financial statements.

Balance sheet

As at 31 December 2024

	Note	2024 £'000	2023 £'000
ASSETS			
Cash and cash equivalents	10	**1,449**	903
Trade and other receivables	11	**259**	121
Right-of-use assets	12	**-**	19
Property, plant and equipment	13	**116**	108
Current tax asset		**343**	23
Total assets		**2,167**	1,174
LIABILITIES			
Trade and other payables	14	**105**	110
Amounts due to group undertakings	20	**777**	337
Lease liabilities	18.5	**-**	19
Provision for liabilities and charges	15	**549**	461
Deferred tax	16	**26**	6
Total liabilities		**1,457**	933
EQUITY			
Share capital	17	**1,500**	-
(Accumulated losses)/Retained earnings		**(790)**	241
Total equity		**710**	241
Total equity and liabilities		**2,167**	1,174

The notes set out on pages 8 to 19 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf by:

R Messenger

R A Messenger
Director

4 June 2025

Statement of changes in equity

For the year ended 31 December 2024

	Share capital	Retained earnings/ (Accumulated losses)	Total equity
	£'000	£'000	£'000
At 1 January 2023	-	258	258
Loss for the year being total comprehensive expense	-	(17)	(17)
At 31 December 2023	-	241	241
Loss for the year being total comprehensive income	-	(1,031)	(1,031)
Issue of share capital	1,500	-	1,500
At 31 December 2024	**1,500**	**(790)**	**710**

The notes set out on pages 8 to 19 are an integral part of these financial statements.

Cash flow statement

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows (used in)/generated from operating activities			
Loss before tax		**(1,328)**	(16)
Adjustments for:			
- Interest expense on lease liabilities		**-**	3
- Depreciation of Property, plant and equipment		**61**	71
- Loss on disposal of Property, plant and equipment		**6**	4
- Increase in Provisions for liabilities and charges	15	**88**	211
- (Increase)/decrease in Trade and other receivables	11	**(138)**	18
- Decrease in Trade and other payables	14	**(5)**	(27)
- Increase in amounts due to group undertakings	20	**440**	337
Cash (used in)/generated from operations		**(876)**	601
Tax paid		**(3)**	-
Net cash (used in)/generated from operating activities		**(879)**	601
Cash flows used in investing activities			
Purchase of Property, plant and equipment	13	**(56)**	(97)
Net cash used in investing activities		**(56)**	(97)
Cash flows generated from/(used in) financing activities			
Lease liability repayments		**(19)**	(49)
Hire purchase repayment		**-**	(5)
Issued Share Capital	17	**1,500**	-
Net cash generated from/(used in) financing activities		**1,481**	(54)
Change in Cash and cash equivalents		**546**	450
Cash and cash equivalents at beginning of year		**903**	453
Cash and cash equivalents at end of year		**1,449**	903
Cash and cash equivalents comprise			
Cash at bank		**1,449**	903

The notes set out on pages 8 to 19 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2024

1. Basis of preparation

Cavendish Online Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office can be found on the front page and its principal activity is included in the Directors' report.

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial information has been prepared under the historical cost convention.

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

No new IFRS Accounting Standard pronouncements which have been adopted resulted in a material impact within these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2024 and which have not been applied in preparing these financial statements are given in note 21. No standards have been early adopted.

The Directors are satisfied that it is the intention of Lloyds Banking Group plc that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

2. Material accounting policies

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

2.1 Revenue recognition

Commission income

Income comprises brokerage fees and commission income, which are recognised in the Statement of comprehensive income at the later of the inception of renewal of the underlying policy and when the policy placement has been completed and confirmed, having regard to the nature and term of the policy involved. Allowance is made for commission clawback refunds on the basis of prior lapse experience. Additional commission is due from certain third party insurers based upon their underwriting results. This is recognised in the Statement of comprehensive income only when the Company has been notified of the underwriting result, or of the extent that it is highly probable that a significant reversal in the amount of additional commission recognised will not occur, or the income is received.

Other operating income

Other operating income relates to reimbursed costs from Lloyds Bank plc including staff costs, IT costs and other services and is recognised in the Statement of comprehensive income as incurred.

2.2 Expense recognition

Other operating expenses

Administrative expenses are recognised in the Statement of comprehensive income as incurred. These consist of costs either incurred directly by the Company or recharged from fellow Group subsidiaries.

2.3 Financial assets and liabilities

Management determines the classification of its financial assets and financial liabilities at initial recognition. Financial assets comprise Cash and cash equivalents, and Trade and other receivables. Financial liabilities comprise Trade and other payables and Amounts due to Group undertakings.

All financial assets and financial liabilities are stated at amortised cost.

2. Material accounting policies (continued)

2.3 Financial assets and liabilities (continued)

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

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

2.4 Property, plant and equipment, including right-of-use assets

Property, plant and equipment is included at historical purchase cost less depreciation and any impairment allowance. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight line method to allocate the difference between the cost and expected residual value over their estimated useful lives, or the period of the lease whichever is less. Estimated useful lives are as follows:

Leasehold premises	4 - 10 years
Computer and office equipment	4 - 10 years
Motor vehicles	4 years
Right-of-use assets	3 - 10 years

The assets leased by the Company include property and motor vehicles. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance sheet date.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the event that an asset's carrying amount is determined to be greater than its recoverable amount it is written down immediately. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

2.5 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate appropriate for the right-of-use asset arising from the lease, and the liability recognised within other liabilities.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Short term leased assets comprise property.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and short-term highly liquid investments with original maturities of three months or less.

2.7 Impairment of financial assets

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

2.8 Taxation

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

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

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

2. Material accounting policies (continued)

2.8 Taxation (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Balance sheet. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the Balance sheet date, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences but not recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint arrangements where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognised on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, and are reviewed at each Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In certain cases where forecast profits are not expected to be sufficient to support the recognition of a deferred tax asset on a standalone entity basis, further consideration has been given to the availability of UK group relief with connected companies to support the recognition.

Deferred tax assets and liabilities are not recognised in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax is not discounted.
The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes currently required by IAS12 Income Taxes.

2.9 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

2.10 Dividends

Dividends payable on ordinary shares are recognised as a reduction in equity in the period in which they are approved.

2.11 Share based payments

The Company's ultimate parent company operates a number of Group wide, equity settled, share based compensation plans. The Company receives recharges in respect of a number of share based compensation plans operated by the Company's ultimate parent company based on the fair value of the number of equity based instruments that are expected to vest in respect of services of the relevant employees included in note 8. This expense is determined by reference to the fair value of the number of equity instruments that are expected to vest. The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments at the date of grant is estimated using an appropriate valuation technique, such as a Black-Scholes option pricing model. The determination of fair values excludes the impact of any non-market vesting conditions, which are included in the assumptions used to estimate the number of options that are expected to vest.

At each Balance sheet date, this estimate is reassessed and if necessary revised. Any revision of the original estimate is recognised in the Statement of comprehensive income over the remaining vesting period.

Full details of these schemes can be found in the 2024 Annual Report and Accounts of the Group.

2.12 Provisions for other liabilities and charges

Provisions are recognised in respect of present obligations arising from past events where it is probable that outflows of resources will be required to settle the obligations and they can be reliably estimated.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements in accordance with IFRS Accounting Standards requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company has made no critical judgements in the process of applying the company's accounting policies.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Commission clawbacks

The Company uses estimates in the calculation of the commission clawback provision. The provision is calculated with respect to past experience of the impact of refunded commission, and of predicted future cancellation of policies, which are subject to indemnity commission. As future revenue has the potential to change, these are considered to be key sources of estimation uncertainty. Further details of estimates used appear in note 15.

If the estimated clawback rate were to increase or decrease by 50 basis points, the impact on profit or loss would be an increase or decrease respectively of £54,000 (2023: £26,000).

4. Net commission income

	2024	2023
	£'000	£'000
Revenue	**6,072**	4,102
Commission expense	**(329)**	(87)
Net commission income	**5,743**	4,015

5. Other operating income

	2024	2023
	£'000	£'000
Management recharge	**-**	495

The other operating income relates to reimbursed costs from Lloyds Bank plc as part of the acquisition of the company. These relate to staff costs, IT costs and other services.

6. Interest expense

	2024	2023
	£'000	£'000
Finance expense on lease liabilities	**-**	3

7. Other operating expenses

	2024	2023
	£'000	£'000
Staff costs (see note 8)	**5,445**	3,388
Administrative expenses	**1,559**	1,060
Other operating expenses	**7,004**	4,448

Fees payable to the Company's auditors for the audit of the financial statements of £32,130 (2023: £31,500) have been borne by a fellow Group company and are not recharged to the Company.

Notes to the financial statements (continued)

For the year ended 31 December 2024

8. Staff costs

	2024 £'000	2023 £'000
Wages and salaries	**4,199**	2,852
Social security costs	**468**	326
Share based payments	**23**	24
Pension costs for Cavendish pension scheme	**-**	141
Pension costs recharged by Lloyds Bank plc	**755**	45
Staff Costs	**5,445**	3,388

The average number of employees during the year was 90 (2023: 67). All staff are located in the United Kingdom and provide management, administration and sales support.

9. Taxation

	2024 £'000	2023 £'000
a) Analysis of credit/(charge) for the year		
UK corporation tax:		
- Current tax on taxable loss for the year	**317**	(3)
UK deferred tax:		
- Origination and reversal of timing differences	**5**	2
- Adjustments in respect of prior years	**(25)**	-
Deferred tax (charge)/credit (see note 16)	**(20)**	2
Tax credit/(charge)	**297**	(1)

Corporation tax is calculated at a rate of 25.00% (2023: 23.50%) of the taxable loss for the year.

b) Factors affecting the tax credit/(charge) for the year

A reconciliation of the credit/(charge) that would result from applying the standard UK corporation tax rate to the profit before tax to the actual tax expense for the year is given below:

	2024 £'000	2023 £'000
Loss before tax	**(1,328)**	(16)
Tax credit thereon at UK corporation tax rate of 25.00% (2023: 23.50%)	**332**	4
Factors affecting expense:		
- Disallowed items	**(10)**	(4)
- Adjustments in respect of prior years	**(25)**	-
- Timing differences not recognised	**-**	3
- Other	**-**	(4)
Tax credit/(charge) on loss on ordinary activities	**297**	(1)
Effective rate	**(22.36%)**	6.25%

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes currently required by IAS12 Income Taxes. No provision for Pillar 2 current tax is required in respect of this period.

10. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank	**1,449**	903

Cash at bank of £1,076,000 (2023: £172,000) is unsecured, interest bearing and repayable on demand. Cash at bank of £373,000 (2023: £731,000) is unsecured, non-interest bearing and repayable on demand. The carrying value of cash approximates to its fair value.

11. Trade and other receivables

	2024 £'000	2023 £'000
Trade debtors	**6**	6
Other debtors	**5**	5
Prepayments	**44**	46
Accrued income	**204**	64
Trade and other receivables	**259**	121

All balances within Trade and other receivables are non-interest bearing and unsecured. The carrying value of Trade and other receivables is approximate to its fair value.

12. Right-of-use assets

	Property £'000	Motor vehicles £'000	Total £'000
Cost:			
At 1 January 2023	145	40	185
Disposals	-	(40)	(40)
At 31 December 2023	145	-	145
Disposals	(145)		(145)
At 31 December 2024	**-**	**-**	**-**
Accumulated depreciation:			
At 1 January 2023	97	20	117
Charge for the year	29	11	40
Disposals	-	(31)	(31)
At 31 December 2023	126	-	126
Charge for the year	19	-	19
Disposals	(145)	-	(145)
At 31 December 2024	**-**	**-**	**-**
Net book value			
At 31 December 2024	**-**	**-**	**-**
At 31 December 2023	19	-	19

The maturity analysis of the Company's lease liabilities on an undiscounted basis is set out in the liquidity risk section of note 18.5.

The total cash outflow for leases in the period ended 31 December 2024 was £nil (2023: £49,000). The amount recognised within interest expense in respect of lease liabilities is disclosed in note 6.

Notes to the financial statements (continued)
For the year ended 31 December 2024

13. Property, plant and equipment

	Fixtures and fittings £'000	Motor vehicles £'000	Internet assets £'000	Office equipment £'000	Total £'000
Cost:					
At 1 January 2023	28	4	10	126	168
Additions	-	-	-	97	97
At 31 December 2023	28	4	10	223	265
Additions	-	-	-	56	56
Disposals	(28)	(4)	-	(48)	(80)
At 31 December 2024	**-**	**-**	**10**	**231**	**241**
Accumulated depreciation:					
At 1 January 2023	27	1	10	87	125
Charge for the year	1	2	-	29	32
At 31 December 2023	28	3	10	116	157
Charge for the year	-	1	-	41	42
Disposals	(28)	(4)	-	(42)	(74)
At 31 December 2024	**-**	**-**	**10**	**115**	**125**
Net book value					
At 31 December 2024	**-**	**-**	**-**	**116**	**116**
At 31 December 2023	-	1	-	107	108

The fixed assets relating to the previous Exeter office were disposed of in February 2024. These had a cost of £24,000 but were fully written down at the time of disposal.

14. Trade and other payables

	2024 £'000	2023 £'000
Trade creditors	**25**	4
Deferred income	**54**	75
Accrued expenses	**23**	28
VAT liability	**3**	3
Trade and other payables	**105**	110

Trade and other payables are non-interest bearing, unsecured and repayable within 30 days.

Notes to the financial statements (continued)
For the year ended 31 December 2024

15. Provision for liabilities and charges

	2024	2023
	£'000	£'000
Opening balance	**461**	251
Utilised during the year	**(920)**	(219)
Charge for the year	**1,008**	429
Closing balance	**549**	461

Commission clawbacks

This relates to commission received on an indemnity basis which results in a proportion of commission being repayable to the third party underwriter in the event of the policy being cancelled by the policyholder. The provision is calculated with respect to past experience of the impact of refunded commission, and of predicted future cancellation of policies, which are subject to indemnity commission.

16. Deferred tax liabilities

The movement in the Deferred tax liabilities is as follows:

	2024	2023
	£'000	£'000
At 1 January	**6**	8
Charge/(credit) for the year	**20**	(2)
Carried forward	**26**	6

The deferred tax charge/(credit) in the period comprises the following temporary differences:

	2024	2023
	£'000	£'000
Accelerated capital allowances	**24**	(5)
Pensions and other post-retirement benefits	**-**	3
Other temporary differences	**(4)**	-
	20	(2)

Deferred tax liabilities comprises:	**2024**	2023
	£'000	£'000
Accelerated capital allowances	**30**	6
Other temporary differences	**(4)**	-
	26	6

17. Share capital

	2024 £'000	2023 £'000
Allotted, issued and fully paid		
15,000,693,450 "A" ordinary shares of 0.0001p each	**1,500**	-
130,000 "B" ordinary shares of 0.0001p each	**-**	-
130,000 "C" ordinary shares of 0.0001p each	**-**	-
10,000 "D" ordinary shares of 0.0001p each	**-**	-
36,500 "E" ordinary shares of 0.0001p each	**-**	-
10 "F" ordinary shares of 0.0001p each	**-**	-
10 "G" ordinary shares of 0.0001p each	**-**	-
10 "H" ordinary shares of 0.0001p each	**-**	-
10 "I" ordinary shares of 0.0001p each	**-**	-
10 "J" ordinary shares of 0.0001p each	**-**	-
	1,500	-

On 18 June 2024, the Company authorised and issued 15,000,000,000 Class A Ordinary shares of £0.0001 per share to its immediate parent company, Lloyds Bank Insurance Services Limited. At 31 December 2023 the share capital of the Company was £100. The "A" - "E" shares are entitled to receive declared dividends and have the right to vote at General meetings of the Company.

The "F" - "J" ordinary shares are entitled to receive declared dividends but they carry no voting rights; nor do they have the right to participate in any payment of distribution of any surplus on a winding up of the Company except a right to be repaid the subscription price of the shares.

All shares are held by Lloyds Bank Insurance Services Limited.

18. Financial risk management

This note summarises the risks associated with the activities of the Company and the way in which these are managed.

The Company is exposed to a range of financial risks through its financial assets and financial liabilities.

18.1 Market risk

Market risk is defined as the risk that the Company's capital or earnings profile is affected by adverse market rates, in particular equity, credit default spreads, interest rates and inflation in Insurance business.

18.2 Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in interest rates and the shape of the yield curve. Interest rate risk arises in respect of cash balances which are invested in a cash fund, and lease liabilities. None of the other financial assets or financial liabilities of the Company are interest-bearing.

18.3 Credit risk

Credit risk is the risk that counterparties with whom the Company has contracted fail to meet their financial obligations.

Credit risk is managed in line with the IP&I Credit Risk policy and the wider Lloyds Banking Group Credit Risk Policy which set out the principles of the credit control framework. The Company holds cash at bank of £1,449,000 (2023: £903,000) and Trade and other receivables of £258,000 (2023: £121,000). Credit risk in respect of these balances is not considered to be significant. There were no past due or impaired financial assets at 31 December 2024 (2023: none). No terms in respect of financial assets had been renegotiated at 31 December 2024 (2023: none).

18.4 Capital risk

Capital risk is defined as the risk that the Company has a sub-optimal quantity or quality of capital or that capital is inefficiently deployed across the Company.

Within the IP&I Division, capital risk is actively monitored by the Insurance, Pensions and Investments Asset and Liability Committee.

The Company's objectives when managing capital are to ensure that sufficient capital is available to safeguard the Company's ability to continue as a going concern so that it can continue to provide a return to the shareholder.

The Company's capital comprises all components of equity of £710,000 (2023: £241,000), movements in which are set out in the Statement of changes in equity.

18.5 Liquidity risk

Liquidity risk is defined as the risk that the Company does not have sufficient financial resources to meet its commitments as they fall due or can only secure them at excessive cost. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or from the inability to generate cash inflows as anticipated.

Liquidity risk is managed in line with the Insurance Liquidity Risk Policy and the wider Group Funding and Liquidity policy.

The following table analyses the maturity of the Company's contractual cash flows for financial liabilities. The table below is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is obliged to pay. The table includes both interest and principal cash flows.

As at 31 December 2024

	On demand £'000	**< 1 month £'000**	**1-3 months £'000**	**3-12 months £'000**	**> 1 year £'000**	**Total £'000**
Trade and other payables	**-**	**28**	**-**	**-**	**-**	**28**
Accrued expenses	**-**	**16**	**-**	**7**	**-**	**23**
Amounts due to Group undertakings	**-**	**777**	**-**	**-**	**-**	**777**
	-	**821**	**-**	**7**	**-**	**828**

As at 31 December 2023*

	On demand £'000	< 1 month £'000	1-3 months £'000	3-12 months £'000	> 1 year £'000	Total £'000
Trade and other payables	-	7	-	-	-	7
Accrued expenses	-	4	-	24	-	28
Lease liabilities	-	10	-	9	-	19
Amounts due to Group undertakings	-	337	-	-	-	337
	-	358	-	33	-	391

*The prior year cash flow analysis has been restated to align with the current year representation.

Notes to the financial statements (continued)
For the year ended 31 December 2024

19. Share based payments

During the year ended 31 December 2024, Lloyds Banking Group plc operated a number of share-based payment schemes for which employees of the Group were eligible and all of which are equity settled. Details of all schemes operated by the Group are set out below; these are managed and operated on a Group-wide basis. The amount recharged to the Company in respect of the Group share based payment schemes, and which is included within staff costs (note 8), was £23,000 (2023: £24,000).

Group Performance Share plan

The Group operates a Group Performance Share plan. Bonuses in respect of employee performance in 2024 have been recognised in the charge in line with the proportion of the deferral period completed.

Further details in respect of share based payment schemes can be found in the 2024 financial statements of the Company's ultimate parent undertaking, copies of which may be obtained from the Group Secretariat, Lloyds Banking Group plc, 33 Old Broad Street, London, EC2N 1HZ. The Lloyds Banking Group plc financial statements may be downloaded via www.lloydsbankinggroup.com.

20. Related party transactions

The Company's immediate parent undertaking is Lloyds Bank Insurance Services Limited, a Company registered in the United Kingdom. Lloyds Bank Insurance Services Limited has taken advantage of the provisions of the Companies Act 2006 and has not produced consolidated Financial Statements.

The ultimate parent undertaking and controlling party is Lloyds Banking Group plc, which is the parent undertaking of the only group to consolidate these Financial Statements. Copies of the consolidated Annual Report and Financial Statements of Lloyds Banking Group plc may be obtained from Lloyds Banking Group's head office at 33 Old Broad Street, London, EC2N 1HZ or downloaded via https://www.lloydsbankinggroup.com/investors/financial-downloads.html.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's Directors and members of the Lloyds Banking Group plc board. Members of the Lloyds Banking Group plc board are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities within the Group.

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

Nature of transaction	**Related party**	**Repayment**	**Interest**	**2024 £'000**	2023 £'000
Amounts due to Group undertakings	Scottish Widows Services Limited	Monthly	N/A	**777**	337
Other operating income	Lloyds Bank plc	N/A	N/A	**-**	495
Commission expense	Scottish Widows Services Limited	N/A	N/A	287	

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

21. Future developments

There are a number of new accounting pronouncements issued by the IASB with an effective date of 1 January 2027. This includes IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures. The impact of these standards are being assessed and they have not been endorsed for use in the UK.

The IASB has issued its annual improvements and a number of minor amendments to IFRS Accounting Standards effective date on or after 1 January 2025, including IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosure and IAS 21 The Effects of Changes in Foreign Exchange Rates. These improvements and amendments are not expected to have a significant impact on the Company.

Independent auditor's report to the members of Cavendish Online Limited

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Cavendish Online Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

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

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Independent auditor's report to the members of Cavendish Online Limited (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of Cavendish Online Limited (continued)

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

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

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

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

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

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

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

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

Independent auditor’s report to the members of Cavendish Online Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies’ exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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

N Doig

Nikola Doig CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
06 June 2025