

**COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2012**

**Registered office**

Trinity Road  
Halifax  
West Yorkshire  
England  
HX1 2RG

**Registered number**

1611368  
Registered in England & Wales

**Directors**

P Baker  
B Horrell  
HBOS Directors Ltd

**Company Secretary**

Lloyds Secretaries Ltd

Member of Lloyds Banking Group

TUESDAY



A16      \*A2IKPR03\*      #175  
08/10/2013  
COMPANIES HOUSE

## **COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

### **DIRECTORS' REPORT**

For the year ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

#### **Business review and principal activities**

The principal activity of the Company is commercial property investment and development

During the financial year the Company has not undertaken any new property developments. The Company has maintained its existing arrangements.

At the end of the year, the carrying value of the land held in the Company's balance sheet is not considered to be impaired.

The results of the Company for the year are set out in the statement of comprehensive income on page 6.

#### **Future Outlook**

During the year the company was involved with lease arrangements with Halifax Plc which were terminated on 31 December 2012.

#### **Financial risk management**

The Company reports in sterling. A requirement of the Company's Finance function, in conjunction with Group Finance, is to manage and monitor financial risk in support of the Company's corporate objectives. Treasury activities are governed by policies and procedures issued by Group Finance, approved by the Board, and monitored by the Company's Finance function.

The Company does not hold or issue derivative financial instruments for trading purposes and the Group's Treasury policies specifically prohibit such activity. All transactions in financial instruments are undertaken to manage the risks arising from underlying business activities, not for speculation.

#### **Capital management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

#### **Policy and practice on payment of suppliers**

The Company follows "The Prompt Payment Code" published by the Department for Business Innovation and Skills (BIS) regarding the making of payments to suppliers. Information about the "Prompt Payment Code" can be obtained by visiting [www.promptpaymentcode.org.uk](http://www.promptpaymentcode.org.uk)

The Company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated. It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract.

As the Company owed no amounts to trade creditors as at 31 December 2012, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 2006, is nil (2011: nil).

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2012

#### Dividends

The directors do not recommend the payment of a dividend (2011 £nil)

#### Directors

The directors during the year and up to the date of this report were

	Appointed	Resigned
P Baker		
B Horrell	17/09/2013	
M Mulvenna	24/05/2013	17/09/2013
C Newton		24/05/2013
HBOS Directors Ltd		

No Director had any interest in any material contract or arrangement with the Company during or at the end of the year

#### Directors' and officers' liability insurance

The directors have the benefit of a deed of indemnity which constitutes a "qualifying third party indemnity provision". These deeds are in force during the whole of the financial year (or from the date of appointment in respect of the directors who join the board during the financial year). The indemnities remain in force at the date of signing these financial statements. Deeds for existing directors are available for inspection at the registered office of Lloyds Banking Group plc.

#### 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 have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### DIRECTORS' REPORT (CONTINUED)

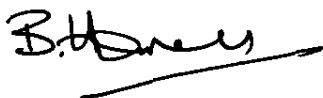
#### Auditors and disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information
- (c) PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006

On behalf of the Board



B Horrell  
Director

4/10/ 2013

## **COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

We have audited the financial statements of County Wide Property Investments Limited for the year ended 31 December 2012 which comprise the of the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

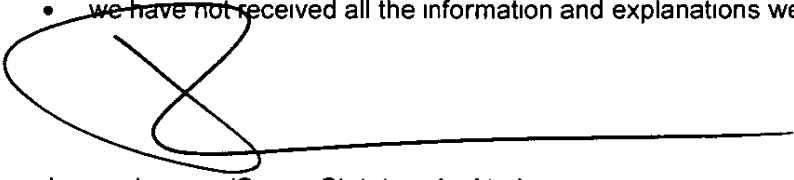
## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTY WIDE PROPERTY INVESTMENTS LIMITED (CONTINUED)

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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



Joanne Leeson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

4 October 2013

# COUNTY WIDE PROPERTY INVESTMENTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Gross rental income	5	282	282
Service charge income	6	31	31
Service charge expenses	6	(31)	(31)
Property operating expenses	7	(64)	(64)
Net rental and related expenses		218	218
Other operating expense	8	(75)	(75)
<b>Operating profit</b>		143	143
Financial income	9	37	37
Financial costs	9	-	-
Net finance income		37	37
<b>Profit before income tax</b>		180	180
Income tax credit/(charge)	13	95	(62)
<b>Profit and total comprehensive income for the year</b>		275	118
<b>Attributable to:</b>			
Owners of the Company		275	118

The notes on pages 10 to 22 are an integral part of these financial statements

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Share Capital £'000	Reserves £'000	Total £'000
<b>Balance at 1 January 2011</b>	-	(1,646)	(1,646)
Profit and total comprehensive income for the year	-	118	118
<b>Balance at 31 December 2011</b>	-	(1,528)	(1,528)
Profit and total comprehensive income for the year	-	275	275
Write back of waived creditor	-	510	510
Less Taxation thereon	-	(135)	(135)
<b>Balance at 31 December 2012</b>	-	(878)	(878)

The notes on pages 10 to 22 are an integral part of these financial statements



# COUNTY WIDE PROPERTY INVESTMENTS LIMITED

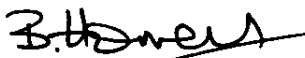
## BALANCE SHEET

As at 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	3,049	3,124
<b>Total non-current assets</b>		3,049	3,124
<b>Current assets</b>			
Cash and cash equivalents	20	7,881	7,843
Trade and other receivables	19	465	186
Deferred tax asset	16	8	-
<b>Total current assets</b>		8,354	8,029
<b>Total assets</b>		11,403	11,153
<b>Equity</b>			
Issued capital	15	-	-
Accumulated losses		(878)	(1,528)
<b>Total equity</b>		(878)	(1,528)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	16	-	139
<b>Total non-current liabilities</b>		-	139
<b>Current liabilities</b>			
Trade and other payables	17	12,061	12,475
Current tax liabilities	18	220	67
<b>Total current liabilities</b>		12,281	12,542
<b>Total liabilities</b>		12,281	12,681
<b>Total equity and liabilities</b>		11,403	11,153

The notes on pages 10 to 22 are an integral part of these financial statements

The financial statements on pages 6 to 22 were approved by the Board of Directors and were signed on its behalf by



B Horrell  
Director  
Company Number 1611368

4/10/2013

# COUNTY WIDE PROPERTY INVESTMENTS LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Cash flows from operating activities</b>			
Profit before taxation		180	180
Adjustments for			
(Increase)/Decrease in trade and other receivables		(313)	666
Increase in trade and other payables		(414)	464
Adjustment re waived creditor		510	-
Depreciation	14	75	75
Interest received		(37)	(37)
Prior year adjustments		-	(6)
		<hr/>	<hr/>
Cash generated from operations		1	1,342
Interest paid		-	-
Income taxes paid		-	-
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<hr/> 1 <hr/>	<hr/> 1,342 <hr/>
<b>Cash flows from investing activities</b>			
Interest received		37	37
		<hr/>	<hr/>
<b>Net cash generated from investing activities</b>		<hr/> 37 <hr/>	<hr/> 37 <hr/>
<b>Net increase in cash and cash equivalents</b>		38	1,379
Cash and cash equivalents at beginning of the year	20	7,843	6,464
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	20	<hr/> 7,881 <hr/>	<hr/> 7,843 <hr/>

The notes on pages 10 to 22 are an integral part of these financial statements

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### 1 General information

County Wide Property Investments Limited ("the Company") is a Company domiciled in England

#### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently for each of the periods presented, unless otherwise stated.

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### 2.2 Implementation of new standards and amendments to published standards and interpretations

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the company.

The following pronouncements will not be relevant to the Company and were not effective as at 31 December 2012.

<b>Pronouncement</b>	<b>Nature of change</b>	<b>IASB effective date</b>
IFRS 13 Fair Value Measurement	The standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. It applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements.	Annual periods beginning on or after 1 January 2013
IAS 19 Employee Benefits	Prescribes the accounting and disclosure by employers for employee benefits. Actuarial gains and losses (remeasurements) in respect of defined benefit pension schemes are no longer deferred using the corridor approach and are recognised immediately in other comprehensive income.	Annual periods beginning on or after 1 January 2013

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### Summary of significant accounting policies (Continued)

#### 2.2 Implementation of new standards and amendments to published standards and interpretations (Continued)

Pronouncement	Nature of change	IASB effective date
IFRS 10 Consolidated Financial Statements	Supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities and establishes principles for the preparation of consolidated financial statements when an entity controls one or more entities	Annual periods beginning on or after 1 January 2013
IFRS 9 Financial Instruments	Replaces those parts of IAS 39 Financial Instruments Recognition and Measurement relating to the classification, measurement and derecognition of financial assets and liabilities. Requires financial assets to be classified into two measurement categories, fair value and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instrument. The available-for-sale financial asset and held-to-maturity investment categories in existing IAS 39 will be eliminated. The requirements for financial liabilities and derecognition are broadly unchanged from IAS 39.	Annual periods beginning on or after 1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	Requires an entity to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.	Annual periods beginning on or after 1 January 2013

## **COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2012

#### **2.3 Going Concern**

The directors of the company 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

#### **2.4 Foreign currency translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency") The financial statements are presented in Pound Sterling ("£"), which is the Company's functional and presentation currency

##### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

#### **2.5 Revenue Recognition**

Revenue includes rental income, service charges and management charges from properties

Rental income from operating leases is recognised on a straight-line basis over the lease term When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income

Service and management charges are recognised in the accounting period in which the services are rendered When the Company is acting as an agent, the commission rather than gross income is recorded as revenue

#### **2.6 Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

#### **2.7 Cash and cash equivalents**

Cash and cash equivalents consist of cash and balances at central banks that are freely available, and loans and advances to banks with an original maturity of three months or less

#### **2.8 Share capital**

Ordinary shares are classified as equity

## **COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2012

#### **2.9 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 substantially enacted by the balance sheet 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 only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

#### **2.10 Trade and other payables**

Trade and other payables are stated at cost and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### **2.11 Impairment**

The carrying amounts of the Company's assets including deferred tax assets, if any, are reviewed at each balance sheet date to determine whether there is any indication of impairment. Individual impairment is identified at a counterparty specific level following objective evidence that a financial asset is impaired. This may be after an interest or principal payment is missed or if a banking covenant is breached. If any such indication exists, the asset's recoverable amount is estimated.

## **COUNTY WIDE PROPERTY INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2012

#### **2.11 Impairment (continued)**

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

##### **(a) Calculation of recoverable amount**

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### **(b) Reversals of impairment**

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **2.12 Expenses**

##### **(a) Net financing costs**

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method and interest receivable on funds invested.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

#### **2.13 Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Freehold land is not depreciated. Freehold or leasehold property is stated at cost and depreciated over 50 years or the length of the lease term if shorter. Plant and equipment, less the estimated residual value, is written off in equal instalments over the expected lives of the assets, generally between 3 and 15 years.

#### **2.14 Leases**

Properties leased out under operating leases are included in property, plant and equipment in the statement of financial position.

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### 3. Financial risk management

##### 3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk) and liquidity risk.

###### (a) Market risk

Cash flow and fair value interest rate risk

The Company has no significant interest-bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

###### (b) Liquidity risk

Prudent liquidity risk management implies maintaining the continuing financial support from the parent company.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Less than 1 year £'000</b>	<b>Between 1 and 2 years £'000</b>	<b>Between 2 and 5 years £'000</b>	<b>Over 5 years £'000</b>
<b>At 31 December 2012</b>				
Intercompany balances	12,061	-	-	-
<b>At 31 December 2011</b>				
Intercompany balances	11,934	-	-	-

##### 3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

##### 3.3 Fair value estimation

The carrying value of trade and other payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.



## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### 4 Critical accounting estimates and judgements

Estimates and judgements 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 makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Company considers that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 5 Gross rental income

	2012 £'000	2011 £'000
Properties sub-let to BoS plc	282	282
	<u>282</u>	<u>282</u>

Gross rentals relate primarily to operating lease income from properties sub-let to Bank of Scotland plc

#### 6 Service charge income and expenses

Service charge income represents the income receivable from tenants in respect of the services of maintenance and utilities etc. when the Company acts as principal.

Service charge expense represents the amounts paid by the Company before any recharges to tenants.

#### 7 Property operating expenses

Property operating expenses relate to rentals payable to Bank of Scotland plc.

#### 8 Other operating expenses

	2012 £'000	2011 £'000
Depreciation	75	75
	<u>75</u>	<u>75</u>

#### 9 Finance income and costs

Financial income relates to bank deposit interest.

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### 10 Personnel expenses

During the year the Company employed no permanent staff (2011 Nil)

#### 11 Auditor's remuneration

Auditor's remuneration was borne by the Bank of Scotland plc. Fees payable to the auditor and its associates for services other than the statutory audit are not disclosed since the consolidated accounts of Lloyds Banking Group plc, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

#### 12 Directors' emoluments

The directors received no emoluments in relation to their services to the Company during the year (2011 Nil)

#### 13 Income tax expenses

(a) Analysis of Tax (credit)/charge for the year

	2012 £'000	2011 £'000
UK Corporation tax - current year	52	68
UK Corporation tax – deferred tax	1	(11)
UK Corporation tax adjustments in respect of prior periods	(148)	5
	<u>(95)</u>	<u>62</u>

The tax (credit)/charge on the company's profit for the year is based on a UK corporation tax rate of 24.5% (2011 26.5%)

'On 21 March 2012, the Government announced a reduction in the rate of corporation tax to 24% with effect from 1 April 2012. This reduction was substantively enacted on 26 March 2012. In addition, the Finance Act 2012, which was substantively enacted on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013.

On 5 December 2012, the Government announced a further reduction in the main rate of corporation tax to 21% from 1 April 2014. In addition, on 20 March 2013 the Government announced a reduction in the main rate of corporation tax to 20% from 1 April 2015. These rates have now been substantively enacted following the third reading of Finance Bill 2013 in the House of Commons on 2 July 2013.'

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

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

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

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	180	180
Tax charge thereon at UK corporation tax rate of 24.5% (2011: 26.5%)	44	48
Factors affecting tax (credit)/charge		
Adjustment to prior periods	(148)	5
Non-deductible expenses	18	20
Deferred tax adjustment	1	-
Impact of change in tax rate	(10)	(11)
<b>Total taxation</b>	<b>(95)</b>	<b>62</b>

# COUNTY WIDE PROPERTY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

### 14 Property, plant and equipment

	Freehold property £'000	Plant and machinery and computers £'000	Freehold shop fittings £'000	Total £'000
<b>At 1 January 2011</b>				
Cost	3,987	299	940	5,226
Accumulated depreciation	(788)	(299)	(940)	(2,027)
Net book amount	3,199	-	-	3,199
<b>Year ended 31 December 2011</b>				
Opening net book amount	3,199	-	-	3,199
Depreciation	(75)	-	-	(75)
Closing net book amount	3,124	-	-	3,124
<b>At 31 December 2011</b>				
Cost	3,987	299	940	5,226
Accumulated depreciation	(863)	(299)	(940)	(2,102)
Net book amount	3,124	-	-	3,124
<b>Year ended 31 December 2012</b>				
Opening net book amount	3,124	-	-	3,124
Depreciation	(75)	236	-	161
Disposals	-	(236)	-	(236)
Closing net book amount	3,049	-	-	3,049
<b>At 31 December 2012</b>				
Cost	3,987	63	940	4,990
Accumulated depreciation	(938)	(63)	(940)	(1,941)
Net book amount	3,049	-	-	3,049

### 15 Share Capital

	2012 £'000	2011 £'000
Authorised		
10,000 ordinary shares of £1 each	10	10
Issued and fully paid		
100 ordinary shares of £1 each	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### 16 Deferred income tax

The gross movement on the deferred income tax account is as follows

	2012 £'000	2011 £'000
At 1 January	139	150
Adjustment to prior periods	(148)	-
Change in tax rate	1	-
Income statement credit (note 13)	-	(11)
	<hr/>	<hr/>
At 31 December	(8)	139
	<hr/>	<hr/>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows

Deferred tax liabilities/(asset)	Capital allowance on other assets £'000
At 1 January 2011	150
Credited to the income statement	(11)
	<hr/>
At 31 December 2011	139
	<hr/>
Adjustment to prior periods	(148)
Debit to the income statement	1
	<hr/>
At 31 December 2012	(8)
	<hr/>

# COUNTY WIDE PROPERTY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

### 17 Trade and other payables

	2012 £'000	2011 £'000
Amounts due to group undertakings	12,061	11,934
Over accrued income	-	510
Other taxes payable	-	31
	<u>12,061</u>	<u>12,475</u>

Amounts due to group undertakings are payable on demand  
Balances adjusted to account for rounding issue in 2011 financial statements

### 18 Current tax liabilities

	2012 £'000	2011 £'000
Current tax payable	220	67
	<u>220</u>	<u>67</u>

### 19 Trade and other receivables

	2012 £'000	2011 £'000
Amounts due from group undertakings	443	120
Other Taxes Receivable	-	45
Others	22	21
	<u>465</u>	<u>186</u>

## COUNTY WIDE PROPERTY INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

#### 20 Related-party transactions

Rent receivable of £282,000 (2011 £282,000) in respect of leases granted to Bank of Scotland plc  
Service charge income of £31,000 (2011 £31,000) in respect of leases granted to Bank of Scotland plc

Property operating expenses of £64,000 (2011 £64,000) and service charge expenses of £31,000 (2011 £31,000) are in respect of leases granted by Bank of Scotland plc

Financial income of £37,000 (2011 £37,000) is in respect of bank accounts held with Bank of Scotland

Cash and cash equivalents of £7,881,000 (2011 £7,843,000) represent bank accounts held with Bank of Scotland Trade and other payables includes £12,062,000 (2011 £11,935,000) payable to Halifax plc Trade and other receivables includes £442,000 (2011 £120,000) receivable from Bank of Scotland plc

The Statement of Changes in Equity includes an amount of £510,000 in respect of rent received from Halifax Insurance Ireland Limited which was not due and this entity has now been liquidated

#### 21 Ultimate parent undertaking

The Company's immediate parent company is Bank of Scotland plc The company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc (formerly Lloyds TSB Group plc), a limited liability company incorporated and domiciled in Scotland, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member Bank of Scotland plc is the parent undertaking of the smallest such group of undertakings

Lloyds Banking Group plc will produce consolidated accounts for the year ended 31 December 2012 Copies of the annual report and accounts of Lloyds Banking Group plc for the year ended 31 December 2012 may be obtained from Lloyds Banking Group's head office at 25 Gresham Street, London, EC2V 7HN