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Birmingham Midshires Property Services Limited

Annual Report

For the year ended 31 December 1999

Registered No: 10802067



**Annual Report
for the year ended 31 December 1999**

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Directors and Advisers

Directors

M S Lodge
D J McPherson

Secretary and Registered Office

S N Waite
Trinity Road
Halifax
West Yorkshire
HX1 2RG

Directors' Report for the year ended 31 December 1999

The Directors present their report together with the accounts for the year ended 31 December 1999.

Business objectives and principal activities

The company has not traded during the year and has therefore received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss. The directors do not recommend the payment of a dividend.

Ultimate Holding Company

At the commencement of business on 19 April 1999 the business of Birmingham Midshires Building Society and ownership of its subsidiaries was transferred to Halifax plc. Following a group reconstruction on 1 June 1999, a new ultimate parent undertaking, Halifax Group plc, was established which owns all the ordinary share capital of Halifax plc, the previous parent undertaking.

Directors and Directors' Interests

The Directors who have served during the year were as follows:-

W G Thomas	(resigned 19-4-99)
I D Kerr	(resigned 19-4-99)
M S Lodge	(appointed 19-4-99)
D J McPherson	(appointed 1-11-99)
S J Rosbrook	(appointed 19-4-99)
	(resigned 1-11-99)

During the year no director had any interest in the share capital of the company or of any group undertaking other than the ultimate holding company and no rights to subscribe for such interest were granted. As a consequence of the corporate restructuring on 1 June 1999, the directors' share interests in Halifax plc have been exchanged for interests in Halifax Group plc shares, on the basis of 37 shares for every 40 shares previously held. Therefore the table below reflects interests in Halifax Group plc shares at 31 December 1999 and in those of Halifax plc at 1 January 1999. The interests of the directors in the shares of the ultimate holding company, including interests in shares held beneficially under long term and short term bonus schemes, were as follows:

		At 31 December 1999	At 1 January 1999 or date of appointment
M S Lodge	Trustee	14,626,075	14,432,826
	Beneficial	185	640
D J McPherson		185	185

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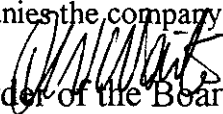
Under the terms of the Halifax plc Sharesave Scheme 1997, options to acquire shares in the ultimate holding company were granted to the following:

	Waived in year	Lapsed in year	No. of Options granted in year	Exercised in year
M S Lodge	672	-	1,141	-
D J McPherson	1,189	-	1,819	-

Where relevant, scheme participants agreed to waive options in Halifax plc shares and were granted replacement options in Halifax Group plc using a basis specified by the Inland Revenue.

Auditors

Having satisfied the provisions of Section 250 of the Companies Act 1985 relating to dormant companies, the company has not appointed auditors.


By order of the Board
S N Waite
Secretary

11 February 2000

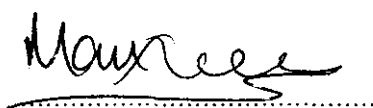
Birmingham Midshires Property Services Limited

BALANCE SHEET

as at 31 December 1999

	Note	1999 £	1998 £
Current assets :			
Creditors : amounts falling due within one year	2	(23,589,004)	(23,589,004)
Net current liabilities		(23,589,004)	(23,589,004)
Total assets less current liabilities		(23,589,004)	4(23,589,004)
Creditors : amounts falling due after one year		-	-
Net liabilities		(23,589,004)	(23,589,004)
Capital and reserves:			
Called up share capital	3	4,000,000	4,000,000
Profit and loss account	4	(27,589,004)	(27,589,004)

The company was dormant throughout the financial year. These accounts on pages 5 to 6 were approved by the Board of Directors on 11 February 2000 and were signed on its behalf by:


M S Lodge, Director.

NOTES TO THE ACCOUNTS

for the year ended 31 December 1999

1. ACCOUNTING POLICIES

Accounting Convention

The accounts have been prepared in accordance with the historical cost convention and with applicable accounting standards in the United Kingdom, which have been applied consistently.

2. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Amounts owed to parent undertaking	23,589,004	23,589,004

The Company issued debenture stock in 1990 for £9,500,000 and in 1991 for £7,000,000 to Birmingham Midshires Building Society. On 19th April 1999, Birmingham Midshires Building Society was acquired by Halifax plc. The debenture stock which bears interest at zero percent, charges the company's undertaking and all its property and assets, present and future, to secure the sum of £16,500,000 for working capital.

In preparing the accounts on a going concern basis the Directors have relied on a letter of support from the company's ultimate parent undertaking, Halifax plc.

3. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised, allotted, called up and fully paid:		
3,950,000 Ordinary shares of £1 each	3,950,000	3,950,000
50,000 Redeemable ordinary shares of £1 each	50,000	50,000
	4,000,000	4,000,000

The redeemable ordinary shares may be redeemed by the company at any time at a cost based on the fair value of the company. The shares rank equally on all other bases.

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4. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
At 1 January	27,589,004	27,589,004
Loss for the year	-	-
At 31 December	27,589,004	27,589,004

5. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of Halifax Group plc, which is registered in England and Wales and operates in the United Kingdom. Halifax Group plc is the ultimate parent undertaking and heads the largest higher group of undertakings for which group accounts are drawn up and of which the company is a member. Halifax plc, which is also registered in England and Wales and operates in the United Kingdom, is the company which heads the smallest higher group of undertakings for which group accounts are drawn up and of which the company is a member.

Copies of the financial statements of Halifax Group plc and Halifax plc can be obtained from Trinity Road, Halifax, West Yorkshire, HX1 2RG, which is the principal place of business for both companies.

6. SUBSIDIARY UNDERTAKINGS

The company has the following wholly owned subsidiary undertaking which is incorporated in Great Britain and registered in England and Wales:-

Birmingham Midshires Property Services (Eastern) Ltd - Dormant

The investment in subsidiary undertakings has been written down to nil value.

7. RELATED PARTY TRANSACTIONS

Full disclosure of transactions and balances with the ultimate parent undertaking, its direct and indirect subsidiaries and quasi subsidiary which are eliminated on consolidation are not made in these accounts. Classification of such transactions and balances in other notes to these accounts are disclosed as appropriate.