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**BMBS Land Development Limited**

**Annual Report**

**For the year ended 31 December 1998**

**Registered No: 2116502**



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**BMBS Land Development Limited**

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**Annual Report  
for the year ended 31 December 1998**

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## **BMBS Land Development Limited**

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### **Directors and Advisers**

#### **Directors**

I Kerr  
WG Thomas

#### **Registered Auditors**

PricewaterhouseCoopers  
Temple Court  
35 Bull Street  
Birmingham  
B4 6JT

#### **Secretary and Registered Office**

Jacqueline Collins  
Birmingham Midshires Building Society  
Pendeford Business Park  
Wobaston Road  
Wolverhampton  
WV9 5HZ

#### **Solicitors**

Rees Page  
32-36 Lichfield Street  
Wolverhampton  
West Midlands  
WV1 1DN

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## **BMBS Land Development Limited**

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### **Directors' Report for the year ended 31 December 1998**

The Directors present their report together with the audited accounts for the year ended 31 December 1998. In preparing the accounts on a going concern basis the Directors have relied on a letter of support from the company's parent undertaking, Birmingham Midshires Building Society.

### **Business objectives and principal activities**

The company's principal activity is property development. The company is committed to the acquisition of sites and the erection thereon of private dwelling houses and small commercial premises in partnership with reputable construction companies. The company also acquires surplus properties from fellow subsidiaries and manages their disposal. The company has operated satisfactorily. The Directors do not expect any material change in the trading activities of the company in the future. As a wholly owned subsidiary of Birmingham Midshires Building Society the company funds its assets by way of a loan from its parent undertaking.

### **Results for the year**

The loss for the year carried forward to reserves as at 31 December 1998 was £203,154 (1997 : £139,992). The Directors do not recommend payment of a dividend.

### **Payment to suppliers**

Payment policy is laid out in the accounts of the ultimate parent undertaking which pays all suppliers on behalf of the company, and makes a cross-charge accordingly.

### **Tangible fixed assets**

The company has no fixed assets.

### **Year 2000**

The company uses the Birmingham Midshires Building Society's computer systems and has not incurred any expenditure relating to year 2000 issues.

All costs have been incurred by and are disclosed in the accounts of Birmingham Midshires Building Society Group.

Progress of the year 2000 project is also disclosed in the group accounts.

## **BMBS Land Development Limited**

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### **Directors**

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

Ian Kerr  
Guy Thomas

Ian Kerr retires by rotation and being eligible, offers himself for re-election.

Ian Kerr and Guy Thomas are Directors of the parent undertaking, Birmingham Midshires Building Society, and their interests are noted in the statutory accounts of the Society.

No Director had any interest in the share capital of the company at any time during the year.

### **Statement of Directors' responsibilities**

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

The ultimate parent undertaking sets out its standards on corporate governance in its statutory accounts.

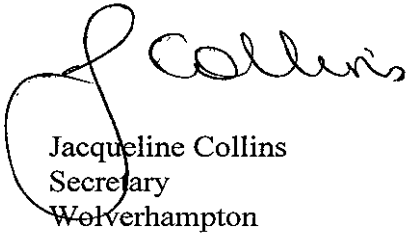
## BMBS Land Development Limited

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### Auditors

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors.

By order of the Board



Jacqueline Collins  
Secretary  
Wolverhampton

17 February 1999

## **Auditors' Report to the members of BMBS Land Development Limited**

We have audited the financial statements on pages 6 to 12 which have been prepared under the historic cost convention and the accounting policies set out on page 8.

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

The directors are responsible for preparing the Annual Report, including as described on page 3 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

### **PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
Birmingham

17 February 1999

**BMBS Land Development Limited**

**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1998

	Note	1998 £	1997 £
Turnover		336,874	525,836
Cost of sales	2	(91,710)	(341,904)
Gross profit/(loss)		245,164	183,932
Administrative expenses	3	(569,227)	(397,093)
Provisions for rent on sublet properties		29,656	16,563
Loss on ordinary activities before taxation	5	(294,407)	(196,598)
Taxation on loss on ordinary activities	6	91,253	56,606
Loss on ordinary activities after taxation	11	(203,154)	(139,992)

The company had no acquisitions or discontinued operations, and accordingly the above profit and loss account is in respect of continuing operations.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.



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**BMBS Land Development Limited**

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**BALANCE SHEET**

as at 31 December 1998

	Note	1998 £	1997 £
Current assets:			
Stock		201,611	290,044
Debtors	7	108,835	115,434
Cash at bank and in hand		25,873	-
Total current assets		336,319	405,478
Creditors: amounts falling due within one year	8	(1,936,232)	(1,772,581)
Net current liabilities		(1,599,913)	(1,367,103)
Provisions for liabilities and charges	9	(105,958)	(135,614)
		(1,705,871)	(1,502,717)
Capital and reserves:			
Called up share capital	10	100	100
Profit and loss account	11	(1,705,971)	(1,502,817)
		(1,705,871)	(1,502,717)

The accounts on pages 6 to 12 were approved by the Board of Directors on 17 February 1999 and were signed on its behalf by:



Guy Thomas, Director

**NOTES TO THE ACCOUNTS**

for the year ended 31 December 1998

**1 ACCOUNTING POLICIES**

**ACCOUNTING CONVENTION**

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below.

**BASIS OF ACCOUNTING**

The accounts are prepared in accordance with the historical cost convention.

**DEFERRED TAXATION**

Provision is made using the liability method for deferred taxation only to the extent that such taxation will become payable in the foreseeable future.

**STOCK AND WORK IN PROGRESS**

Stock and work in progress is valued at the lower of cost and net realisable value.

**TURNOVER**

Turnover represents sales proceeds and rental income earned from the company's principal activities, excluding value added taxation.

**CASH FLOW STATEMENT**

No cash flow statement is included as the results of the company are consolidated in the group accounts of its parent undertaking. Cash flows arising are reported within appropriate classifications in the consolidated Statement of Source and Application of Funds.

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**BMBS Land Development Limited**

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**2 COST OF SALES**

	1998 £	1997 £
Cost of sales	91,710	341,904
	91,710	341,904

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**3 ADMINISTRATIVE EXPENSES**

The company does not employ staff

	1998 £	1997 £
Auditors' remuneration	2,250	1,500
Other management costs	566,977	395,593
	569,227	397,093

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**4 DIRECTORS' EMOLUMENTS**

None of the Directors received emoluments for their services in 1998 and 1997.

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**5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1998 £	1997 £
This is stated after charging:		
Auditors' remuneration	2,250	1,500
Decrease in provision for rent on sublet properties	(29,656)	(16,563)

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**BMBS Land Development Limited**

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**6 TAXATION ON LOSS ON ORDINARY ACTIVITIES**

	1998 £	1997 £
United Kingdom Corporation Tax credit at 31% (1997 : 31.5%):		
Current	91,253	56,606

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**7 DEBTORS**

	1998 £	1997 £
Amounts falling due within one year:		
Corporation tax	91,266	61,927
Trade debtors	43,639	52,027
Other debtors	5,349	2,702
Provision for Bad Debt	(31,419)	(1,222)
	108,835	115,434

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**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £	1997 £
Owed to parent undertaking	1,935,523	1,772,134
Other creditors	709	447
	1,936,232	1,772,581

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In preparing the accounts on an ongoing basis the Directors have relied on a letter of support from the company's parent undertaking Birmingham Midshires Building Society.

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**BMBS Land Development Limited**

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**9 PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Provision for Rent on Sublet Properties	105,958	135,614
	<b>105,958</b>	<b>135,614</b>

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The movement on the provision for liabilities and charges is as follows:-

	<b>£</b>
As at 1 January 1998	135,614
Transferred to profit and loss account	(29,656)
At 31 December 1998	<b>105,958</b>

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**10 CALLED UP SHARE CAPITAL**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

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**11 PROFIT AND LOSS ACCOUNT**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
At 1 January 1998	(1,502,817)	(1,362,825)
Loss for the financial year	(203,154)	(139,992)
At 31 December 1998	<b>(1,705,971)</b>	<b>(1,502,817)</b>

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**BMBS Land Development Limited**

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**13 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(203,154)	(139,992)
Shareholders funds at 1 January	(1,502,717)	(1,362,725)
Shareholders funds at 31 December	(1,705,871)	(1,502,717)

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**14 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.

**15 ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Birmingham Midshires Building Society which is incorporated in Great Britain and registered in England and Wales under the Building Societies Act 1986.

Accounts of the ultimate parent undertaking may be obtained from the Secretary at the registered office of the company.