

Birmingham Midshires Land Development Limited

Directors' Report & Financial Statements

Year ended 31 December 2000

Registered No: 2116502



Directors' Report and Financial Statements

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Directors and Company Information

Directors

I D Kerr
P Beddows

Secretary

D J McPherson

Registered Office

Trinity Road
Halifax
West Yorkshire

Registered Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' Report

The Directors present their report and the audited accounts for the year ended 31 December 2000. In preparing the accounts on a going concern basis the Directors have relied on a letter of support from the company's parent undertaking, Halifax Group plc.

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 Halifax Group plc 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 2000 was £76,326 (1999 : £123,007). The Directors do not recommend payment of a dividend.

Payment to suppliers

Invoices are processed on behalf of the company by Birmingham Midshires, a division of Halifax plc. When agreeing commercial arrangements with suppliers, settlement terms are negotiated. Failing such agreement the standard terms of payment are 30 days from the invoice date. The average length of payment to suppliers was 25 days in 2000.

Directors

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

I D Kerr

W G Thomas (resigned 29/09/2000)

P Beddows (appointed 29/09/2000)

During the year no director had any interest in the share capital of the company and no rights to subscribe for such interests were granted.

The interests of the directors in the shares of the ultimate holding company, including interests in shares held beneficially under the long term and short term bonus schemes were as follows:

	At 31 December 2000	At 1 January 2000
I D Kerr	39,885	Nil
P Beddows	6,054	Nil

Share interests in the long term bonus scheme included above represent the maximum number which could be released under the term of that scheme.

Under the terms of the Halifax Group plc sharesave schemes, options to acquire shares in the ultimate holding company were granted to or exercised by the following directors:

	Number of Options granted	Exercised in the Year
I D Kerr	4,115	Nil
P Beddows	4,115	Nil

Auditors & Annual General Meeting

Following a resolution passed by the members, the company has elected to dispense with the holding of Annual General Meetings, of laying financial statements and reports before the Company in General Meeting, and with the obligation to reappoint auditors annually.



By order of the Board
D J McPherson
Secretary
Halifax
9 February 2001

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements;
- 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 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the Auditors to the Members of Birmingham Midshires Land Developments Limited

We have audited the financial statements on pages 7 to 12.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the director's report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 director's remuneration and transactions with the company is not disclosed.

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 or 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants and Registered Auditors
1 The Embankment
Neville street
Leeds
LS1 4DW

9 February 2001

Profit and Loss Account

For the year ended 31 December

	Note	2000 £	1999 £
Turnover		222,734	335,074
Cost of sales		-	(187,000)
		<u>222,734</u>	<u>148,074</u>
Administrative expenses	2	(308,778)	(367,326)
Provisions for rent on sublet properties		(22,993)	42,898
Loss on ordinary activities before taxation	4	<u>(109,037)</u>	<u>(176,354)</u>
Taxation on loss on ordinary activities	5	32,711	53,347
Loss on ordinary activities after taxation	10, 11	<u>(76,326)</u>	<u>(123,007)</u>

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 losses above, and therefore no separate statement of total recognised gains and losses has been presented.

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

Balance Sheet

as at 31 December

	Note	2000 £	1999 £
Current assets:			
Stock		14,611	14,611
Debtors	6	55,358	16,114
Cash at bank and in hand		4,113	4,112
Total current assets		<u>74,082</u>	<u>34,837</u>
Creditors: amounts falling due within one year	7	(1,893,233)	(1,800,655)
Net current liabilities		<u>(1,819,151)</u>	<u>(1,765,818)</u>
Provisions for liabilities and changes	8	(86,053)	(63,060)
		<u>(1,905,204)</u>	<u>(1,828,878)</u>
Capital and reserves:			
Called up share capital	9	100	100
Profit and loss account	10	(1,905,304)	(1,828,978)
Equity shareholders' funds	11	<u>(1,905,204)</u>	<u>(1,828,878)</u>

These financial statements were approved by the Board of Directors on 9 February 2001 and were signed on its behalf by:



P Beddows, Director

The notes on pages 9 to 12 form part these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, including the new Financial Reporting Standard (FRS16). There have been no changes to the company's accounting policies other than those required by the adoption of FRS16. 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.

GOING CONCERN

The directors of the ultimate parent undertaking, Halifax Group plc, have agreed to the continued support of Birmingham Midshires Land Development Limited. Therefore the financial statements have been prepared on the going concern basis.

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

Under FRS 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking, and the consolidated financial statements of Halifax Group plc, in which the financial statements of the company are included, are publicly available.

2 ADMINISTRATIVE EXPENSES

	2000	1999
	£	£
Auditors' remuneration	1,000	2,500
Other management costs	307,778	364,826
	<u>308,778</u>	<u>367,326</u>

3 DIRECTORS' EMOLUMENTS

None of the Directors received emoluments for their services in 2000 and 1999.

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£	£
This is stated after charging/crediting:		
Auditors' remuneration	1,000	2,500
Increase/(Decrease) in provision for rent on sublet properties	22,993	(42,898)

5 TAXATION ON LOSS ON ORDINARY ACTIVITIES

	2000	1999
	£	£
United Kingdom Corporation Tax Charge at 28.8% (1999:30.25%)		
Current	32,711	53,347
	<u>32,711</u>	<u>53,347</u>

6 DEBTORS

	2000	1999
	£	£
Amounts falling due within one year:		
Trade Debtors	86,503	60,233
Other debtors	-	1
Provision for bad debt	(31,145)	(44,120)
	<u>55,358</u>	<u>16,114</u>

7 CREDITORS

	2000	1999
	£	£
Amounts falling due within one year:		
Owed to parent undertaking	1,890,233	1,717,039
Other creditor	3,000	83,616
	<u>1,893,233</u>	<u>1,800,655</u>

8 PROVISIONS FOR LIABILITIES AND CHARGES

	2000	1999
	£	£
Provision for rent on sublet properties	86,053	63,060
	<u>86,053</u>	<u>63,060</u>

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

	£
As at 1 January 2000	63,060
Transferred to profit and loss account	22,993
At 31 December 2000	<u>86,053</u>

9 CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10 PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
At 1 January	(1,828,978)	(1,705,971)
Loss for the financial year	(76,326)	(123,007)
At 31 December	<u>(1,905,304)</u>	<u>(1,828,978)</u>

11 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	2000	1999
	£	£
Loss for the financial year	(76,326)	(123,007)
Shareholders funds at 1 January	(1,828,878)	(1,705,871)
Shareholders funds at 31 December	<u>(1,905,204)</u>	<u>(1,828,878)</u>

12 TRANSACTIONS WITH RELATED PARTIES

Birmingham Midshires Land Developments Ltd, as a wholly owned subsidiary undertaking of Halifax Group plc, has prepared its financial statements in accordance with an exemption contained in FRS8, "Related Party Disclosures". Under this exemption the company has not disclosed details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements, in which Birmingham Midshires Land Developments Ltd is included, are publicly available.

13 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 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.