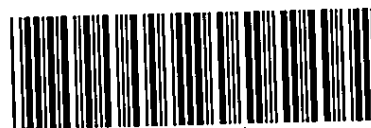


Birmingham Midshires Land Development Limited

Directors' Report & Financial Statements

Year ended 31 December 2007

Registered No: 2116502



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## Directors' Report and Financial Statements

<b>Contents</b>	<b>Pages</b>
Directors and Company Information	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Income Statement	5
Balance Sheet	6
Notes to the Financial Statements	7-9

## Directors and Company Information

### Directors

P Beddows

### Secretary

A Lockwood

### Registered Office

Trinity Road  
Halifax  
West Yorkshire  
HX1 2RG

## Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 December 2007.

### Business Objectives and Principal Activities

The Company's principal activity is property management. The Company has not traded during the year and is not expected to trade in the foreseeable future. As a wholly owned subsidiary of HBOS plc the Company funds its assets by way of a loan from its parent undertaking.

### Results For The Year

The Company did not make a profit after tax for the year (2006: £nil). The directors do not recommend the payment of a dividend in respect of 2007 (2006: £nil).

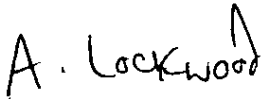
### Directors

The directors who have served during the year were as follows:

P Beddows

### Auditors & Annual General Meeting

Having satisfied the provisions of Section 249AA of the Companies Act 1985 relating to dormant companies the Company has not appointed auditors.



By order of the Board  
A Lockwood  
Secretary

7 March 2008

## Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the company and performance for that period; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the company 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 they have been prepared in accordance with IFRSs as adopted by the EU; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report and a Business Review.

## Income statement

### **For the year ended 31 December 2007**

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure or recognised any other income or expenditure. Consequently, during those years the Company made neither a profit nor a loss.

The company had no cash flows in the current or preceding financial year.

The notes on pages 7 to 9 form part of these financial statements.

# Birmingham Midshires Land Development Limited

## Balance sheet

**As at 31 December 2007**

	Note	2007 £000	2006 £000
<b>Assets</b>			
Inventories	2	15	15
<b>Total current assets</b>		<u>15</u>	<u>15</u>
<b>Equity</b>			
Issued capital		-	-
Retained earnings		(2,154)	(2,154)
<b>Total equity</b>	3	<u>(2,154)</u>	<u>(2,154)</u>
<b>Liabilities</b>			
Trade and other payables	4	2,169	2,169
<b>Total liabilities</b>		<u>2,169</u>	<u>2,169</u>
<b>Total equity and liabilities</b>		<u>15</u>	<u>15</u>

The Company was dormant throughout the year and the Directors make the following statements:

- the Company is eligible to take advantage of the relevant audit exemption (S249AA(1)) of the Companies Act 1985;
- no notice from the Member has been deposited with the Company requiring an audit relative to the year concerned (S249B(2)); and
- the Directors acknowledge their obligation to keep proper accounting records and to prepare accounts which give a true and fair view of the Company's position and are in accordance with the requirements of the Companies Act 1985.

These Financial Statements were approved by the Board of Directors on 7 March 2008 and were signed on its behalf by

  
P Beddows, Director

The notes on pages 7 to 9 form part of these financial statements.

## Notes to the financial statements

### 1. Significant accounting policies

#### (a) Statement of compliance

The financial statements for the year ended 31 December 2007 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations as endorsed by the EU and effective at 31 December 2007.

The accounting policies set out below have been applied in respect of the financial year ended 31 December 2007. IFRS 7 "Financial Instruments: Disclosures" became effective for all accounting periods ending on or after 1 January 2007. The principles in this standard complement the principles for recognising, measuring and presenting financial assets and liabilities in IAS 32 "Financial Instruments: Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement".

Adoption of the Capital disclosure amendment to IAS 1 "Presentation of Financial Statements" became mandatory for all accounting periods ending on or after 1 January 2007. The adoption of this amendment has had no quantitative impact on the financial data presented in either the current or the comparative year.

The financial statements also comply with the relevant provisions of Part VII of the Companies Act 1985, as amended by the Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004.

#### (b) Basis of preparation

The financial statements are presented in pounds sterling, rounded to the nearest thousand. They are prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### (c) Share capital

##### Dividends

Dividends declared after the balance sheet date are not recognised as a liability at the balance sheet date.

#### (e) Trade and other payables

Trade and other payables are stated at cost.



# Birmingham Midshires Land Development Limited

## 2. Inventories

	2007 £000	2006 £000
Stock	15	15
	<u>15</u>	<u>15</u>

## 3. Capital and reserves

### Reconciliation of movement in capital and reserves

#### Attributable to equity holders of the parent

	Share capital £000	Retained earnings £000	Total Equity £000
Balance at 1 January 2006	-	(2,154)	(2,154)
Total recognised income and expense	-	-	-
Balance at 31 December 2006	<u>-</u>	<u>(2,154)</u>	<u>(2,154)</u>
Balance at 1 January 2007	-	(2,154)	(2,154)
Total recognised income and expense	-	-	-
Balance at 31 December 2007	<u>-</u>	<u>(2,154)</u>	<u>(2,154)</u>

## Share capital

	Ordinary shares	
	2007	2006
On issue at 1 January	100	100
Issued for cash	-	-
On issue at 31 December – fully paid	<u>100</u>	<u>100</u>

At 31 December 2007, the authorised share capital comprised 100 ordinary shares (2006: 100). The par value of the shares is £100

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.

## 4. Trade and other payables

	2007 £000	2006 £000
Amounts owed to parent undertaking	2,166	2,166
Other creditors	3	3
	<u>2,169</u>	<u>2,169</u>

The loan is repayable on demand to Bank of Scotland plc and is interest free.

## Birmingham Midshires Land Development Limited

### **5. Related parties**

There have been no related party transactions (including transactions with key management personnel) during the current or preceding financial year, except those disclosed in note 4.

### **6. Parent Undertakings**

HBOS plc is the ultimate parent undertaking of Birmingham Midshires Land Development Limited and heads the largest group into which the financial statements of the Company are consolidated. The consolidated financial statements of HBOS plc may be obtained from its head office at The Mound, Edinburgh EH1 1YZ.

Bank of Scotland plc heads the smallest group into which the financial statements of the Company are consolidated. The financial statements of Bank of Scotland plc may be obtained from its head office at The Mound, Edinburgh EH1 1YZ.