

LEEK UNITED HOME LOANS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

REGISTERED NUMBER: 2277333

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LEEK UNITED HOME LOANS LIMITED
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LEEK UNITED HOME LOANS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 December 2011

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the company are to hold and collect debts secured on residential property and land

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

As at 31 December 2011 the company was a direct wholly owned subsidiary of Leek United Building Society

At 31 December 2011 the amount owed to Leek United Building Society was £nil (2010 £37,258) At 31 December 2011 the amount due from Leek United Building Society was £62,937 (2010 £nil)

The directors do not expect any material change in the trading activities of the company in the foreseeable future

The only material risk faced by Leek United Home Loans Limited is credit risk arising from its mortgage book The management of the risk is actively monitored and controlled by Leek United Building society

Registered number 2277333.

RESULTS AND DIVIDENDS

The company's profit for the financial year is £6,331 (2010 £17,647) The directors do not recommend the payment of a dividend and £6,331 (2010: £17,647) has, therefore, been transferred to reserves.

DIRECTORS

The directors who served during the year were:

P Marriott (Chairman)
K Wilson

DIRECTORS' INTERESTS

No director has any beneficial interest in the share capital of the company, all of which is owned by Leek United Building Society. None of the directors is or has been interested during the year in any contracts with the company All of the directors are directors of Leek United Building Society and their interests are shown in the statutory accounts of the Society.

LEEK UNITED HOME LOANS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 December 2011 (continued)

CREDITOR PAYMENT POLICY

For all trade creditors it is the company's policy to agree the terms of payment at the start of trading with that supplier and to pay in accordance with its contractual and other legal obligations.

INDEPENDENT AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

BY ORDER OF THE BOARD



K GRIFFITHS
Company Secretary

22 FEBRUARY 2012

LEEK UNITED HOME LOANS LIMITED

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable UK 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 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.

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

Provision of Information to Auditors

Each person who is a director at the date of approval of this Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD



P MARRIOTT
Chairman

22 FEBRUARY 2012

LEEK UNITED HOME LOANS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEEK UNITED HOME LOANS LIMITED

We have audited the financial statements of Leek United Home Loans Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 4 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 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

LEEK UNITED HOME LOANS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEEK UNITED HOME LOANS 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



David Roper (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
22 February 2012

LEEK UNITED HOME LOANS LIMITED

Profit and Loss Account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	1	12,939	29,480
Interest payable and similar charges	2	<u>(62)</u>	<u>(2,393)</u>
Gross profit		12,877	27,087
Administrative expenses	4	<u>(4,938)</u>	<u>(4,751)</u>
Profit on ordinary activities before tax		7,939	22,336
Tax on profit on ordinary activities	5	<u>(1,608)</u>	<u>(4,689)</u>
Retained profit for the financial year		<u><u>6,331</u></u>	<u><u>17,647</u></u>

The above profit and loss account is in respect of continuing operations.

The company has no recognised gains and losses during the year other than the amounts stated above, and therefore no separate statement of recognised gains and losses has been presented

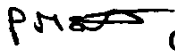

There is no difference between the profit on ordinary activities before tax and profit for the financial year stated above, and their historical cost equivalents.

LEEK UNITED HOME LOANS LIMITED

Balance Sheet as at 31 December 2011

	Note	2011 £	2010 £
Current assets			
Cash at bank		9,987	27,879
Commercial assets. repayable within one year	6	19,501	26,203
. repayable in more than one year	6	186,309	258,442
Debtors. amounts falling due within one year	7	<u>62,937</u>	<u>-</u>
		278,734	312,524
Creditors amounts falling due within one year	8	<u>(6,528)</u>	<u>(46,649)</u>
Total assets less current liabilities		<u>272,206</u>	<u>265,875</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	<u>272,106</u>	<u>265,775</u>
Total shareholders' funds	11	<u>272,206</u>	<u>265,875</u>

The accounts on pages 7 to 12 were approved by the board of directors on 22 February 2012 and signed on its behalf by.

P MARRIOTT  Chairman
K WILSON  Director

Registered Number: 2277333

LEEK UNITED HOME LOANS LIMITED

Notes to the Accounts - for the year ended 31 December 2011

1 Accounting Policies

(a) Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and generally accepted accounting principles in the United Kingdom (UK GAAP). The principal accounting policies, which have been consistently applied are set out below.

The directors have adapted the arrangement of certain headings in the profit and loss account to reflect more effectively and more accurately the nature of the company's activities. In particular turnover represents interest receivable and interest payable has been treated as a deduction against gross profit.

(b) Turnover

Turnover represents gross interest receivable for the company's principal activity. Interest in respect of all loans is credited to the profit and loss account as it becomes receivable. All turnover is derived from within the United Kingdom.

(c) Tax

Corporation tax is charged on the profit on ordinary activities for the year as adjusted for tax purposes.

(d) Provisions for losses on loans and advances

Provision is made for all anticipated losses on loans and advances based upon a year end appraisal.

Specific provisions are made against mortgage loans on a case by case basis to cover anticipated losses in respect of all accounts that are in arrears and where a probable loss has been identified due to impairment. Anticipated losses on such accounts are calculated as the difference between the current achievable market value of the security, based on current valuations of the property performed by qualified local surveyors, and the outstanding loan balance, after making appropriate allowance for costs of repossession and sale and any amounts recoverable under external loss insurance.

General provisions are made to reflect the probability that other loans may also be impaired at the balance sheet date, with the result that the amount advanced may not be recoverable in full. The provision is based upon the company's experience and current economic trends.

(e) Cash flow statement

The company is a wholly-owned subsidiary of Leek United Building Society and is included in the financial statements of Leek United Building Society, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996).

LEEK UNITED HOME LOANS LIMITED

Notes to the Accounts for the year ended 31 December 2011

	2011 £	2010 £
2. Interest payable and similar charges		
On balances due to parent undertaking	<u>62</u>	<u>2,393</u>

3. Directors' Emoluments

None of the directors received any remuneration for services to the company during the year (2010 nil) The company has no employees (2010 none).

	2011 £	2010 £
4. Administrative expenses		
Auditors' remuneration	4,920	4,700
Other management costs	<u>18</u>	<u>51</u>
	<u>4,938</u>	<u>4,751</u>

	2011 £	2010 £
5. Tax on Profit on ordinary activities		
(a) United Kingdom corporation tax on profits for the period at 20 25% (2010. 21%)		
Current tax	<u>1,608</u>	<u>4,689</u>

There are no items giving rise to deferred tax

LEEK UNITED HOME LOANS LIMITED

Notes to the Accounts for the year ended 31 Decmber 2011

6. Commercial Assets

Commercial assets represent advances secured on residential property and other advances secured on land and are repayable from the balance sheet date as follows.

	2011 £	2010 £
Repayable within one year	19,501	26,203
Repayable in more than one year	<u>186,309</u>	<u>258,442</u>
	<u>205,810</u>	<u>284,645</u>

The advances are in general for a period of 5 to 25 years, are payable in full at the end of that period and may be redeemed at any time at the option of the borrower. The above analysis may not reflect actual experience of repayments since many mortgage loans are repaid early. There are no provisions for losses on loans and advances (2010: Nil)

7. Debtors: amounts falling due within one year

	2011 £	2010 £
Amount due from parent undertaking	<u>62,937</u>	<u>-</u>

8. Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to parent undertaking	-	37,258
Corporation tax	1,608	4,691
Accruals	<u>4,920</u>	<u>4,700</u>
	<u>6,528</u>	<u>46,649</u>

9. Called up share capital

	2011 £	2010 £
Authorised, allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. Profit and loss account

	2011 £	2010 £
At 1 January	265,775	248,128
Profit for the financial year	<u>6,331</u>	<u>17,647</u>
At 31 December	<u>272,106</u>	<u>265,775</u>

LEEK UNITED HOME LOANS LIMITED

Notes to the Accounts for the year ended 31 December 2011

11. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Total shareholders' funds at 1 January	265,875	248,228
Profit for the financial year	6,331	17,647
Total shareholders' funds at 31 December	<u>272,206</u>	<u>265,875</u>

12. Capital commitments

There is no capital expenditure which has been contracted for that has not been provided for in the financial statements (2010 Nil)

13. Related party transactions

Full disclosure of transactions and balances with the ultimate parent undertaking, which are eliminated on consolidation, are not made in these accounts because under the wholly owned provision (FRS8: Related Party Disclosures) they are exempt from the related party disclosure requirements. Classification of such transactions and balances in other notes to these accounts are disclosed as appropriate

A service for the administration of mortgage assets was provided by the parent undertaking

14. Ultimate parent undertaking

The ultimate parent undertaking is Leek United Building Society which is registered in England and Wales under the Building Societies Act 1986.

The Report and Accounts of the ultimate parent undertaking may be obtained from the Secretary at 50, St Edward Street, Leek, Staffordshire, ST13 5DL