

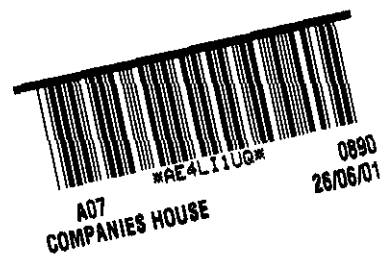
BRADFORD & BINGLEY MORTGAGE MANAGEMENT LIMITED

REPORT AND ACCOUNTS 2000

Registered number
2405306

Registered Office

Croft Road
Crossflatts
Bingley
West Yorkshire
BD16 2UA



Directors' report and financial statements

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Directors' report for the year ended 31 December

Principal activity

The principal activity of the company is that of mortgage lending. Since September 1998, it has no longer advanced new loans but continues to administer its existing book.

Business Review

The result for the year is shown in the profit and loss account on page 6.

The result for the year ended 31 December 2000 was a profit after tax of £783,351 (1999: profit £1,073,432).

Directors

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

Timothy Michael Dawson
Timothy Fletcher
David Graham Parkins
Keith Richard Greenough
Rosemary Prudence Thorne

Timothy Michael Dawson resigned his directorship on the 29 February 2000 and was replaced by Timothy Fletcher. Timothy Fletcher resigned his directorship on the 8 December 2000.

The directors interest in shares in Bradford & Bingley plc were:

	31 December 2000
Ordinary shares of 25p each	
D Parkins	750
Options to subscribe for ordinary shares of 25p each	
D Parkins	2,434

Where directors are also directors of Bradford & Bingley plc their interests are disclosed in that company's group accounts.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Alan Forbes Shankley
Company Secretary

27th 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 or loss for that year. 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.

KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW

Auditors' report to the members of Bradford & Bingley Mortgage Management Limited

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the directors' report and, as described on page 4, 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 required for our audit, or if information specified by law regarding directors' remuneration and transaction 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 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 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 as at 31 December 2000 and of its profit 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
Registered Auditor

27th February 2001

BRADFORD & BINGLEY MORTGAGE MANAGEMENT LIMITED

Profit and loss account for the year ended 31 December

	Notes	Year ended 31 December 2000 £	Year ended 31 December 1999 £
Interest receivable		7,942,646	9,059,864
Interest payable		(6,543,234)	(7,145,681)
Net interest receivable		1,399,412	1,914,183
Administrative expenses		(353,167)	(422,673)
Other operating income		89,046	46,001
Profit on ordinary activities before tax	2	1,135,291	1,537,511
Tax on profit on ordinary activities	3	(351,940)	(464,079)
Profit for the financial year after tax		783,351	1,073,432
Retained profit for the year	10	783,351	1,073,432

The company had no recognised gains or losses other than the current year profits, 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 equivalent.

All activities of the company are continuing.

The notes on pages 8 to 11 form part of these financial statements.

BRADFORD & BINGLEY MORTGAGE MANAGEMENT LIMITED

Balance sheet at 31 December

	Notes	31 December 2000 £	31 December 1999 Restated £
Current assets			
Mortgage advances falling due within one year		1,640,000	1,415,070
Mortgage advances falling due after one year		92,399,509	113,314,230
Debtors	5	708,474	2,115,327
Cash at bank and in hand		677,620	1,418,559
		<u>95,425,603</u>	<u>118,263,186</u>
Creditors: amounts falling due within one year	6	(95,862,531)	(119,483,465)
Net current liabilities		(436,928)	(1,220,279)
Net liabilities		(436,928)	(1,220,279)
Capital and reserves			
Called up share capital	8	1,000,000	1,000,000
Profit and loss account	9	(1,436,928)	(2,220,279)
Shareholder's funds	10	(436,928)	(1,220,279)

The 1999 figures have been restated due to a reallocation of tax balances.

The notes on pages 8 to 11 form part of these financial statements

Approved by the Board on 27th February 2001 and signed on its behalf.



.....David G Parkins - Director

Notes to the financial statements for the year ended 31 December 2000

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, and in accordance with applicable accounting standards.

These financial statements have been prepared on the going concern basis even though the company has net liabilities. The company is wholly owned by Bradford & Bingley Investments Limited which has indicated its willingness to provide continued financial support to the company.

Provisions for Bad and Doubtful Debts

Specific provisions are made for advances, which are recognised to be bad or doubtful. In addition, general provisions are maintained to cover losses that, although not yet specified, are known to be present at the year-end in any portfolio of advances.

Interest charged to mortgage accounts which are in possession and which is expected to be irrecoverable is written off against interest receivable in the year.

Taxation

Corporation tax payable and any group relief arising is provided at the current rate on taxable profit for the year.

Deferred tax

Deferred tax is provided at the appropriate rate of tax where there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Related party transactions

Under Financial Reporting Standard No.8, the company is exempt from disclosing transactions within the Bradford & Bingley Building Society group as the company is a wholly owned subsidiary of the Society, whose annual report and consolidated accounts are publicly available.

Cash flow statement

Under Financial Reporting Standard No.1 (Revised), the company is exempt from the requirement to prepare a cash flow statement, on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

BRADFORD & BINGLEY MORTGAGE MANAGEMENT LIMITED

2. Profit on ordinary activities before tax

	Year ended 31 December 2000	Year ended 31 December 1999
This is stated after charging:	£	£
Audit fees	<u>3,231</u>	<u>2,533</u>

3. Tax on profit on ordinary activities

	Year ended 31 December 2000	Year ended 31 December 1999
United Kingdom Corporation Tax at 31% (1999 30.25%)	£	£
Corporation Tax payable/(relief)	(146,108)	(110,306)
Deferred tax	498,048	574,385
	<u>351,940</u>	<u>464,079</u>

4. Employees' and directors' emoluments

There were no employees during the year and none of the directors received emoluments in respect of their services to the company.

5. Debtors

	31 December 2000	31 December 1999
	£	Restated £
Trade debtors	452,060	1,506,973
Group Relief	256,414	110,306
Deferred taxation (see Note 7)	-	498,048
	<u>708,474</u>	<u>2,115,327</u>

6. Creditors: amounts falling due within one year

	31 December 2000	31 December 1999
	£	Restated £
Amounts owed to group undertakings	95,446,519	118,511,745
Other Creditors	416,012	971,720
	<u>95,862,531</u>	<u>119,483,465</u>

The 1999 figures for both debtors and creditors have been restated due to a reallocation of tax balances.

7. Deferred tax asset

	31 December 2000	31 December 1999
	£	£
Opening balance	498,048	1,072,433
(Release)/charge during the year	(498,048)	(574,385)
Closing balance	<u>-</u>	<u>498,048</u>

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2000	2000	1999	1999
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Amortisation of premium	-	-	487,938	-
General mortgage provision	-	3,713	-	3,713
Unidentified provision	-	-	10,110	-
	<u>-</u>	<u>3,713</u>	<u>498,048</u>	<u>3,713</u>

8. Called up share capital

	31 December 2000	31 December 1999
	£	£
Authorised		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

9. Movement on reserves

	31 December 2000
	£
At the beginning of the year	(2,220,279)
Retained profit for the year	783,351
At the end of the year	<u>(1,436,928)</u>

10. Shareholder's funds

	31 December 2000	31 December 1999
	£	£
Profit for the financial year	783,351	1,073,432
Net addition to shareholder's funds	<u>783,351</u>	<u>1,073,432</u>
Opening shareholder's funds	<u>(1,220,279)</u>	<u>(2,293,711)</u>
Closing shareholder's funds	<u>(436,928)</u>	<u>(1,220,279)</u>

11. Related party disclosures

The ultimate controlling party is Bradford & Bingley plc because Bradford & Bingley Investments is a wholly owned subsidiary.

The company is controlled by Bradford & Bingley Investments by virtue of the company being a wholly owned subsidiary.

12. Ultimate parent undertaking

The immediate parent undertaking of Bradford & Bingley Mortgage Management Limited is Bradford & Bingley Investments, a company incorporated in Great Britain and registered in England and Wales. The undertaking regarded by the directors as the ultimate parent undertaking is the Bradford & Bingley plc, an undertaking resident in Great Britain and registered under the Companies Act 1985.

The only group of which Bradford & Bingley Mortgage Management Limited is a member and whose consolidated accounts are prepared is that headed by Bradford & Bingley plc. Copies of these accounts can be obtained from the Secretary, Bradford & Bingley plc, Head Office, PO Box 88, Crossflatts, Bingley, West Yorkshire, BD16 2UA.