

Registered Number 2791465

HALIFAX NOMINEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1998



HALIFAX NOMINEES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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HALIFAX NOMINEES LIMITED
DIRECTORS AND COMPANY INFORMATION

CHAIRMAN

G J Folwell

DIRECTORS

S A Concannon
J G Leiper
D J McPherson
T V Morrison
B E Sarling

SECRETARY

S J Rosbrook

REGISTERED OFFICE

Trinity Road
HALIFAX
West Yorkshire
HX1 2RG

AUDITORS

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

HALIFAX NOMINEES LIMITED

DIRECTOR'S REPORT

The directors present their report and financial statements for the year ended 31 December 1998.

PRINCIPAL ACTIVITY, RESULTS AND DIVIDEND

The company has not traded during the period and has therefore received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss. The directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTOR'S INTERESTS

The directors who served during the period were as follows:

S A Concannon
J G Leiper
D J McPherson
J R Miller Resigned - 31 December 1998
T V Morrison
B E Sarling

On 27 January 1999 Mr G J Folwell was appointed to the board and elected Chairman.

During the year no director had any interest in the share capital of the company or of any group undertaking other than the holding company, and no rights to subscribe for such interests were granted.

The interests of the directors in the shares of the holding company, Halifax plc, were as follows:

	As at 31 December 1998	As at 31 December 1997
S A Concannon	200	200
D J McPherson	854	854

Under the terms of the Halifax plc Sharesave Scheme 1997, options in Halifax plc shares were granted in the year to the following directors:

	Number of Options Granted in Year
D J McPherson	595

During the year no options in Halifax plc shares were exercised by the directors.

Messrs G J Folwell and J R Miller were also directors of the holding company and their interests in the shares of that company and their options to subscribe for those shares are therefore disclosed in the holding company's financial statements.


HALIFAX NOMINEES LIMITED

DIRECTOR'S REPORT (CONT'D)

AUDITOR AND ANNUAL GENERAL MEETINGS

Pursuant to a resolution passed by the members the company elected to dispense with the holding of Annual General Meetings, of laying accounts and reports before the company in General Meeting and with the obligation to reappoint the auditor annually.

By Order of the Board



S J Rosbrook
SECRETARY

Trinity Road
HALIFAX
HX1 2RG

17 February 1999

HALIFAX NOMINEES LIMITED

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 or 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 adjustments 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 ongoing 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 have a 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 AUDITOR
TO THE MEMBERS OF HALIFAX NOMINEES LIMITED**

We have audited the accounts on pages 7 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described on page 5, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

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

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

17 February 1999

1 The Embankment
Neville Street
LEEDS
LS1 4DW

HALIFAX NOMINEES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1998

	Note	31 December 1998 £	31 December 1997 £
CURRENT ASSETS			
Cash at bank and in hand		<u>1,000</u>	<u>1,000</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>1,000</u>	<u>1,000</u>

The Accounts were approved by the Board of Directors on 17 February 1999 and were signed on its behalf by:



S A CONCANNON

DIRECTOR

The notes on page 8 form part of these financial statements.

HALIFAX NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1. PROFIT AND LOSS ACCOUNT

During the financial period and the preceding financial period the company received no income and incurred no expenditure and consequently there is neither a profit nor a loss to report.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These accounts have been prepared in accordance with applicable accounting standards and have been drawn up under the historical cost convention.

3. CALLED UP SHARE CAPITAL

	31 December 1998	31 December 1997
	£	£
Authorised		
100 "A" ordinary shares of £1	100	100
100 "B" ordinary shares of £1	100	100
800 "C" ordinary shares of £1	800	800
 Allotted, called up and fully paid		
100 "A" ordinary shares of £1	100	100
100 "B" ordinary shares of £1	100	100
800 "C" ordinary shares of £1	800	800
	<hr/> 1,000	<hr/> 1,000
	<hr/>	<hr/>