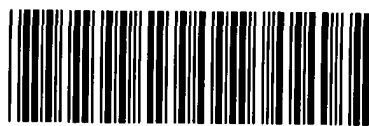


Bradford & Bingley Investments

**Directors' Report and Financial Statements
for the 12 months to 31 March 2019**

Registered number: 03326913

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Bradford & Bingley Investments

Directors' Report and Financial Statements

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Bradford & Bingley Investments

Company Information

Directors

Ian John Hares

John Gornall

Company Secretary

Claire Louise Craigie

Registered Office

Croft Road

Crossflatts

Bingley

West Yorkshire

BD16 2UA

Bradford & Bingley Investments

Directors' Report

The Directors present the Report and Financial Statements of Bradford & Bingley Investments ('the Company') for the year to 31 March 2019. The Company is an unlimited company incorporated and domiciled in the United Kingdom.

Principal activity and business review

The Company qualifies as a small company in accordance with sections 381-382 of the Companies Act 2006 (the 'Act'). The Director's report has therefore been prepared taking into consideration the entitlement to small companies exemptions provided in section 414B (as incorporated to the Act by the Strategic Report and Directors' Regulations 2013) of the Act.

The Company's principal activity during the year was that of a holding company.

The Company has not traded during the current or preceding year.

Controlling party

The Company's immediate parent undertaking is Bradford & Bingley plc ('B&B'), a public company incorporated and domiciled in the United Kingdom. B&B and its subsidiary undertakings are collectively referred to as the 'B&B Group'. B&B heads the smallest group of companies into which the Financial Statements of the Company are consolidated.

B&B's ultimate parent undertaking is UK Asset Resolution Limited ('UKAR'), a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. The Company considers the UK Government to remain its ultimate controlling party.

Dividends

No dividend was paid during the year (2018: £nil), and the Directors do not recommend the payment of a final dividend for the year.

Directors and their interests

The Directors who served during the year and up to the date of signing the Financial Statements were as follows:

Ian John Hares
John Gornall

Mr Hares is a Director of B&B and UKAR.

The Directors did not hold any interest in the ordinary shares of the Company during the current or preceding year. The Directors had no interest in the loan capital of B&B or any other interest in the share or loan capital of its subsidiaries.

Bradford & Bingley Investments

Directors' Report (continued)

Risk management and control

The Directors have responsibility for the overall system of internal control and for reviewing its effectiveness. The effectiveness of the risk management is then monitored on an ongoing basis. Further discussion in the context of the B&B Group as a whole is provided in that Group's 2019 Annual Report & Accounts which do not form part of this Report and Financial Statements.

Directors' indemnities

Qualifying third party indemnity provision for the benefit of all Directors was in force during the year under review and remains in force as at the date of approval of the Directors' Report and Financial Statements.

UKAR has arranged Directors' and Officers' Insurance on behalf of the Directors in accordance with the provisions of the Companies Act 2006.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 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.

Bradford & Bingley Investments

Directors' Report (continued)

Independent auditors

For the year to 31 March 2019, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

On behalf of the Board



John Gornall

Director

3 December 2019

Bradford & Bingley Investments

Statement of Comprehensive Income

During the current and preceding year the Company received no income and incurred no expenditure. Consequently the Company made neither a profit nor a loss and no Statement of Comprehensive Income has been presented.

Bradford & Bingley Investments

Balance Sheet

Registered number: 03326913

	Note	At 31 March 2019 £000	At 31 March 2018 £000
Assets			
Investments in subsidiary undertakings	2	4	4
Amounts due from Group undertakings	3	8	8
Total Assets		12	12
Liabilities			
Amounts due to Group undertakings	4	4	4
Total Liabilities		4	4
Equity			
Share capital	5	-	-
Retained earnings		8	8
Total equity and liabilities		12	12

The notes on pages 9 to 11 form an integral part of these Financial Statements.

The Directors:

- (a) confirm these Financial Statements were delivered with no profit and loss account in accordance with provisions under section 444(5) of the Companies Act (the 'Act') applicable to companies subject to the small companies' regime;
- (b) confirm that the Company was entitled to exemption under section 480 (1) of the Act from the requirement to have its Financial Statements for the 12 months to 31 March 2019 audited;
- (c) confirm that the members have not required the Company to obtain an audit of its Financial Statements for that financial period in accordance with section 476 of the Act;
- (d) ensure that the Company keeps accounting records which comply with section 386 of the Act; and
- (e) prepare the Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of the Act relating to Financial Statements, so far as they are applicable to the Company.

The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Financial Statements were approved by the Board of Directors and authorised for issue on 3 December 2019 and signed on its behalf by:



John Gornall

Director

Bradford & Bingley Investments

Notes to the Financial Statements

1 Principal accounting policies

The Company is an unlimited company incorporated and domiciled in the United Kingdom.

(a) Statement of compliance

The Company's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('adopted

The Financial Statements comply with the relevant provisions of Part 15 of the Companies Act 2006 and regulations made thereunder.

(b) Basis of preparation

The Financial Statements are prepared on the historical cost basis.

The Financial Statements are presented in pounds sterling, which is the currency of the Company's primary operating environment, and on a going concern basis. The validity of the going concern basis of accounting is dependent upon the funding position of the Company. B&B has confirmed its intentions to honour all intragroup balances until at least 1 January 2021 subject to HM Treasury ('HMT') continuing to make available funding and guarantees to B&B during this time. Whilst B&B is in government ownership the Directors are confident that the balance owed to the Company is recoverable as B&B has had reassurance from HMT that its support will continue while it remains a subsidiary of HMT.

UKAR's ultimate objective is to return the taxpayer's investment in B&B and NRAM in full and, as set out in the UKAR group accounts, it has launched a process to sell B&B and NRAM with it being probable that the process can be completed during 2020.

The Directors are of the opinion that the amount owed to the Company by B&B would continue to be fully recoverable following a sale of B&B by UKAR and that therefore the Company would continue to be a going concern. The Directors therefore consider it appropriate to prepare these Financial Statements on a going concern basis.

The Directors consider that the accounting policies set out in this note are the most appropriate to the Company's circumstances, have been consistently applied by the Company in dealing with items which are considered material, and are supported by reasonable and prudent estimates and judgements.

The Financial Statements have been prepared in accordance with EU adopted IFRS, IFRIC interpretations issued by the IFRS Interpretations Committee (formerly the International Financial Reporting Interpretations Committee) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The preparation of the Financial Statements in conformity with these accounting policies and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported values of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates.

Bradford & Bingley Investments

Notes to the Financial Statements (continued)

2 Investments in subsidiary undertakings

	2019 £000	2018 £000
Cost		
At beginning of year	4	4
Disposal	-	-
At end of year	4	4
Impairment		
At beginning of year	-	-
Disposal	-	-
At end of year	-	-
Net book value		
At beginning of year	4	4
At end of year	4	4

Company	Equity at 31 March 2019 £000	Profit after tax - 12 months to 31 March 2019 £000	Principal activity	Class of shares	% held
Direct Holdings					
Mortgage Express (No. 2)	-	-	a	Ordinary	100%
Bradford & Bingley Homeloans Limited	-	-	b	Ordinary	100%
Leamington Mortgage Corporation Limited	-	-	b	Ordinary	100%
Bradford & Bingley Mortgage Management Limited	-	-	b	Ordinary	100%
Finance for Mortgages Limited	1	-	b	Ordinary	100%
Silhouette Mortgages Limited	1	-	b	Ordinary	100%
Scotlife Home Loans (No.2) Limited	1	-	b	Ordinary	100%
HSMS	1	-	b	Ordinary	100%

a) Non-trading

b) Dormant

All of these companies are incorporated in the UK.

Bradford & Bingley Investments

Notes to the Financial Statements (continued)

2 Investments in subsidiary undertakings (continued)

During the financial year, the Company received no dividends (2018: £nil) from its subsidiary undertakings.

3 Loans to Group undertakings

	At 31 Mar 2019 £000	At 31 Mar 2018 £000
Loan to parent undertaking B&B	8	8
Total	8	8

The loans to Group undertakings are interest free, repayable on demand and are not considered to be impaired.

4 Loans from Group undertakings

	At 31 Mar 2019 £000	At 31 Mar 2018 £000
Loan from subsidiary undertakings	4	4
Total	4	4

The loans from subsidiary undertakings are repayable on demand.

5 Share capital

	£	At 31 Mar 2019 Number	£	At 31 Mar 2018 Number
Issued and fully paid:				
Ordinary shares of £1 each	1	1	1	1
At end of year	1	1	1	1

These shares rank equally in respect of rights attached to voting, dividends and in the event of a winding up.

The Company made no dividend payments (2018: £nil) during the year.