

# **The Light Leeds Investments Ltd**

## **Annual Report and Financial Statements For the Year Ended 31 December 2009**

### **Registered office**

Trinity Road  
Halifax  
HX1 2RG

### **Registered number**

3772038  
Registered in England & Wales

### **Directors**

P W Baker  
C P Newton  
HBOS Directors Ltd

### **Company Secretary**

HBOS Secretaries Ltd

Member of Lloyds Banking Group

WEDNESDAY



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## Directors' report

For the year ended 31 December 2009

### Business review and principal activities

In 2002, the Company and Clerical Medical Investment Group Limited under a joint arrangement developed the premises known as "The Light Leeds"

In 2007, The Light Leeds Investments Ltd sold its interest in "The Light Leeds" investment property and therefore there was no rental income received and no expenses incurred in respect of "The Light Leeds" during 2008 and 2009

### Future Outlook

No changes to current operations are planned

### Financial risk management

The Company reports in sterling. A requirement of the Company's Finance function, in conjunction with Group Finance, is to manage and monitor financial risk in support of the Company's corporate objectives. Treasury activities are governed by policies and procedures issued by Group Finance, approved by the Board, and monitored by the Company's Finance function.

The Company does not hold or issue derivative financial instruments for trading purposes and the Group's Treasury policies specifically prohibit such activity. All transactions in financial instruments are undertaken to manage the risks arising from underlying business activities, not for speculation.

### Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

### Policy and practice on payment of suppliers

The Company follows "The Better Payment Practice Code" published by the Department for Business Innovation and Skills (BIS) regarding the making of payments to suppliers. A copy of the code and information about it may be obtained from the BIS Publications Order Line 0845-0150-010 quoting ref. URN 04/606.

The Company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated. It is the policy of the Company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract.

As the Company owed no amounts to trade creditors as at 31 December 2009, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 2006, is nil (2008: nil).

### Dividends

The loss for the year is shown in the income statement on page 4. The Directors do not recommend the payment of a dividend (2008: Nil).

### Directors

Dates of appointments and resignations were as follows -

Director	Date of appointment	Date of resignation
P W Baker	23 04 2009	-
C P Newton	14 07 2008	-
J R Pike	12 12 2007	23 04 2009
HBOS Directors Ltd	12 12 2007	-

No Director had any interest in any material contract or arrangement with the Company during or at the end of the year.

## Directors' report (continued)

For the year ended 31 December 2009

### Directors' and officers' liability insurance

Insurance cover has been arranged in respect of the personal liabilities which may be incurred by directors and officers of the Company in the course of their service with the Company

### 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). 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,

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.

### Auditors and disclosure of information to auditors

Each director in office at the date 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
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given, and should be interpreted, in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board



P W Baker  
Director

16 September 2010

## Report of the independent auditors to the members of The Light Leeds Investments Limited

We have audited the financial statements of The Leeds Light Investments Limited for the year ended 31 December 2009 which comprise Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and Statement of Cash Flows, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, 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 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.

### **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 2009 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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.

### **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.



Toby Skailes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

London

21 September 2010

## Income statement

For the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Other expenses	2	(18)	-
<b>Operating Loss</b>		<b>(18)</b>	<b>-</b>
Finance income	3	98	676
<b>Profit before tax</b>		<b>80</b>	<b>676</b>
Income Tax	7	(2,174)	2,998
<b>(Loss) / Profit for the year</b>		<b>(2,094)</b>	<b>3,674</b>

The notes on pages 9 to 15 are an integral part of these financial statements

## Statement of Comprehensive Income

For the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
<b>(Loss) / Profit for the year</b>		(2,094)	3,674
<b>Total recognised income and expense for the year</b>		<u>(2,094)</u>	<u>3,674</u>
<b>Attributable to:</b>			
Equity holders		(2,094)	3,674
<b>(Loss) / Profit for the year</b>		<u>(2,094)</u>	<u>3,674</u>

## Statement of Changes in Equity

For the year ended 31 December 2009

	Share Capital £000	Reserves £000	Total £000
<b>Balance b/f - 01/01/2008</b>	-	31,217	31,217
Profit for the year	-	3,674	3,674
<b>Balance c/f - 31/12/2008</b>		34,891	34,891
<b>Balance b/f - 01/01/2009</b>	-	34,891	34,891
Loss for the year	-	(2,094)	(2 094)
<b>Balance c/f - 31/12/2009</b>	-	32,797	32,797

## Balance sheet

As at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Assets</b>			
Investment in subsidiaries	8	2,029	2,029
<b>Total non-current assets</b>		<b>2,029</b>	<b>2,029</b>
Cash and cash equivalents		30,728	29,621
Income tax receivable		14	2,351
Trade and other receivables	9	1,639	1,639
<b>Total current assets</b>		<b>32,381</b>	<b>33,611</b>
<b>Total assets</b>		<b>34,410</b>	<b>35,640</b>
<b>Equity</b>			
Issued capital	11	-	-
Retained earnings	11	32,797	34,891
<b>Total equity</b>		<b>32,797</b>	<b>34,891</b>
<b>Liabilities</b>			
Deferred tax	10	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
Trade and other payables	12	1,613	749
<b>Total current liabilities</b>		<b>1,613</b>	<b>749</b>
<b>Total liabilities</b>		<b>1,613</b>	<b>749</b>
<b>Total equity and liabilities</b>		<b>34,410</b>	<b>35,640</b>

The notes on pages 9 to 15 are an integral part of these financial statements

The financial statements on pages 4 to 15 were approved by the Board of Directors and were signed on its behalf by



P W Baker  
Director

16 September 2010



# Statement of Cash Flows

For the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Cash flows from operating activities</b>			
Operating Profit		80	676
Adjustments for			
Interest received		(98)	(676)
Increase in trade payables	12	864	1,037
<b>Cash generated from operations</b>		<b>846</b>	<b>1,037</b>
Interest paid		-	-
Income tax received		163	-
<b>Net cash from operating activities</b>		<b>1,009</b>	<b>1,037</b>
<b>Cash flows from investing activities</b>			
Interest received	3	98	676
<b>Net cash inflow from investing activities</b>		<b>98</b>	<b>676</b>
Net Increase in cash and cash equivalents		1,107	1,713
Cash and cash equivalents at start of year		29,621	27,908
<b>Cash and cash equivalents at end of year</b>		<b>30,728</b>	<b>29,621</b>

The notes on pages 9 to 15 are an integral part of these financial statements

## Notes to the financial statements

For the year ended 31 December 2009

### 1. Accounting policies

#### 1. Significant accounting policies

The Light Leeds Investments Limited ("the Company") is a Company domiciled in England

##### (a) Financial Statements

The Financial Statements of The Light Leeds Investments Limited comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and Statement of Cash Flows together with the related Notes to the Financial Statements

##### (b) Statement of Compliance

The 2009 Financial Statements set out on pages 4 to 15 have been prepared in accordance with International Financial Reporting Standards ('IFRS'), interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The standards applied by the Company are those endorsed by the European Union and effective at the date the Financial Statements are approved by the Board. Consequently, the Financial Statements comply with International Financial Reporting Standards.

##### (c) Basis of Preparation

The Financial Statements have been prepared under the historical cost basis except that the following are stated at fair value: investment properties.

##### (d) Change in the accounting policy and disclosures

The following IFRS pronouncements relevant to the Company have been adopted in the financial statements:

(i) IAS 1 Presentation of Financial Statements: The revised standard prohibits the presentation of items of income and expense (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present two statements: an income statement and a statement of comprehensive income.

The financial statements have been prepared under the revised disclosure requirements; the application of this revised standard, which affects presentation only, has not had any impact on amounts recognised in these financial statements.

(ii) Amendments to IFRS 7 Financial Instruments: Disclosures – 'Improving Disclosures about Financial Instruments': The amendments require enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of a three level fair value measurement hierarchy for financial instruments carried on the Company's balance sheet at fair value. As the amendments only result in additional disclosures, the amendments have not had any impact on amounts recognised in these financial statements.

The application of the following IFRS pronouncements which all became effective in 2009 has had no material impact on these financial statements:

– IAS 23 Borrowing Costs: This revised standard requires interest and other costs incurred in connection with the borrowing of funds to be recognised as an expense excepting that those which are directly attributable to the acquisition, construction or production of assets that take a substantial period of time to get ready for their intended use or sale must be capitalised as part of the cost of those assets.

– Improvements to IFRSs (issued May 2008): Sets out minor amendments to IFRS standards as part of annual improvements process. Most amendments clarified existing practice.

##### (e) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

## Notes to the financial statements (continued)

For the year ended 31 December 2009

### (f) Cash and cash equivalents

Cash and cash equivalents consist of cash and balances at central banks that are freely available, and loans and advances to banks with an original maturity of three months or less

### (g) Taxation

Income tax on the profit or loss for the year comprises current tax and deferred tax if applicable. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, based on tax rates that are enacted or substantially enacted at the balance sheet date. Where there is uncertainty as to the availability of future profits that the losses could be utilised against, no deferred tax asset will be recognised.

### (h) Trade and other payables

Trade and other payables are stated at cost.

### (i) Impairment

The carrying amounts of the Company's assets, and deferred tax assets, if any, are reviewed at each balance sheet date to determine whether there is any indication of impairment. Individual impairment is identified at a counterparty specific level following objective evidence that a financial asset is impaired. This may be after an interest or principal payment is missed or if a banking covenant is breached. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

#### (i) Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### (ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (j) Expenses

#### (i) Net financing costs

Interest income is recognised in the income statement as it accrues, using the effective interest method.

### (k) Investment in subsidiaries

Investments in subsidiaries are carried at historical cost, less any provisions for impairment.

## Notes to the financial statements (continued)

For the year ended 31 December 2009

### (I) IFRS 7 Financial Instruments

The financial instruments are cash and cash equivalents and amounts due to/from group undertakings. On this basis the risk arising on financial instruments is deemed to be low. The book value of these financial instruments equates to their fair value.

A change of 100 basis points in interest rates at the balance sheet date would have impacted equity and profit by the amounts shown below.

£'000	Profit or loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
<b>31 December 2009</b>				
Bank Deposit Interest	151	(151)	(151)	151
Inter-Company loan Interest	-	-	-	-
Cash flow sensitivity (net)	<u>151</u>	<u>(151)</u>	<u>(151)</u>	<u>151</u>
<b>31 December 2008</b>				
Bank Deposit Interest	143	(144)	(144)	143
Inter-Company loan Interest	-	-	-	-
Cash flow sensitivity (net)	<u>143</u>	<u>(144)</u>	<u>(144)</u>	<u>143</u>

This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables remain constant and considers the effect of financial instruments with variable interest rates, financial instruments at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for 2008.

### 2. OTHER EXPENSES

	2009 £000	2008 £000
Other operating expenses	51	-
VAT write off	<u>(33)</u>	<u>-</u>
	<u>18</u>	<u>-</u>

Other operating expenses relate to legal invoices that were paid during the year.

### 3. FINANCE INCOME

	2009 £000	2008 £000
Interest receivable from bank account	98	676
	<u>98</u>	<u>676</u>

### 4. EMPLOYEES

No employees were employed during the year.

## Notes to the financial statements (continued)

For the year ended 31 December 2009

### 5. AUDITORS REMUNERATION

Auditors remuneration was borne by the Bank of Scotland plc. Fees payable to the auditor and its associates for services other than the statutory audit are not disclosed since the consolidated accounts of Lloyds Banking Group plc, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

### 6. DIRECTORS EMOLUMENTS

No directors or key management personnel received emoluments in the year, or previous year, for qualifying services to the Company.

### 7. INCOME TAX EXPENSE

Recognised in the income statement	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<u>Current tax expense/(credit)</u>		
- Current year	29	192
- Prior year corporation tax	2,145	( 3,190 )
- Deferred taxation	-	-
	<hr/>	<hr/>
Total income tax expense/(credit) in income statement	2,174	( 2,998 )
	<hr/>	<hr/>
Reconciliation of effective tax rate	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	80	676
Income tax using the corporation tax rate of 28% (2008: 28.5%)	23	192
Non-deductible expenses	6	-
Adjustments in respect of prior years	2,145	( 3,190 )
	<hr/>	<hr/>
	2,174	( 2,998 )
	<hr/>	<hr/>

### 8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

£000

**Cost and net book value at 1 January and 31 December 2009: 2,029**

Investments in subsidiaries are as follows

Name	Nature of business	Description of shares held	Proportion of nominal value of issued shares held
SJS Investments Limited	Property Investment	Ordinary £1 shares	100

SJS Investments Limited is incorporated in England and Wales

## Notes to the financial statements (continued)

For the year ended 31 December 2009

### 9. TRADE AND OTHER RECEIVABLES

	2009 £000	2008 £000
Amounts owed by group undertakings	1,639	1,639
	<u>1,639</u>	<u>1,639</u>

#### Credit risk

The amounts owed by group undertakings is neither past due nor impaired and along with the cash balance represents the maximum exposure to credit risk

Credit risk occurs in the normal course of the Company's business. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

	Note	Carrying Amount 2009 £000	Fair Value 2009 £000	Carrying Amount 2008 £000	Fair Value 2008 £000
Trade and other receivables	9	1,639	1,639	1,639	1,639
Cash and cash equivalents		30,728	30,728	29,621	29,621
Trade and other payables	12	(1,613)	(1,613)	(749)	(749)
Total		<u>30,754</u>	<u>30,754</u>	<u>30,511</u>	<u>30,511</u>

For receivables and payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value.

### 10. DEFERRED TAX

There are no unrecognised deferred tax assets.

## Notes to the financial statements (continued)

For the year ended 31 December 2009

### 11. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves	Share Capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2008	-	31,217	31,217
Total recognised income and expense	-	3,674	3,674
Balance at 31 December 2008	-	34,891	34,891
Balance at 1 January 2009	-	34,891	34,891
Total recognised income and expense	-	( 2,094 )	( 2,094 )
Balance at 31 December 2009	-	32,797	32,797

#### Share capital

The share capital issued as at 31 December 2008 and 31 December 2009 relates to 1 ordinary share with a par value of £1

At 31 December 2009, the authorised share capital comprised 1,000 ordinary shares (2008 1,000) each with a par value of £1

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. All shares rank equally with regard to the Company's residual assets.

#### Capital Disclosure

The Company was not subject to externally imposed capital requirements in either the current year or the prior year. The Company manages its ordinary share capital in order that there is sufficient capital, in the opinion of the directors, to support the transactions and level of business undertaken by the Company.

### 12. TRADE AND OTHER PAYABLES

	2009 £000	2008 £000
Amounts owed to group undertakings	1,613	749
	<u>1,613</u>	<u>749</u>

Amounts owed to group undertakings are payable on demand

## Notes to the financial statements (continued)

For the year ended 31 December 2009

### 13 RELATED PARTIES

The interest receivable of £98,000 (2008 £676,000) shown in note 4 is earned on a current account held with Bank of Scotland

Trade and other receivables include £1,639,000 (2008 £1,639,000) due from Halifax Plc. Trade and other payables include £1,539,000 (2008 £693,000) due to Clerical Medical Investment Group Limited and £74,000 (2008 £22,000) due to Bank of Scotland

### 14. ULTIMATE PARENT UNDERTAKING

As at 31 December 2009 the Company's immediate parent company was Bank of Scotland plc. The company regarded by the directors as the ultimate parent company at 31 December was Lloyds Banking Group plc, a limited liability company incorporated and domiciled in Scotland, which was also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Bank of Scotland plc was the parent undertaking of the smallest such group of undertakings.

From 16 January 2009, The Light Leeds Investments Ltd's ultimate parent undertaking and controlling party is Lloyds Banking Group plc (formerly Lloyds TSB Group plc) which is incorporated in Scotland. Lloyds Banking Group plc will produce consolidated accounts for the year ended 31 December 2009. Copies of the annual report may be obtained from Lloyds Banking Group's head office at 25 Gresham Street, London, EC2V 7HN.

Prior to 16 January 2009, HBOS plc was the ultimate parent undertaking of The Light Leeds Investments Ltd. Copies of the annual report and accounts of HBOS plc for the year ended 31 December 2008 may be obtained from HBOS plc's registered office at The Mound, Edinburgh, EH1 1YZ.