

Registered Number: 3772294

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2004**



**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

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**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED  
DIRECTORS AND COMPANY INFORMATION**

**DIRECTORS**

I D Kerr (resigned 31 December 2004)  
R Fleming (resigned 31 December 2004)  
J S Lloyd  
D J Walkden (appointed 31 December 2004)  
S Anderson (appointed 31 December 2004)

**SECRETARY**

L J W Black

**REGISTERED OFFICE**

Trinity Road  
HALIFAX  
HX1 2RG

**AUDITORS**

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

## **THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2004.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is investment in commercial property.

### **BUSINESS REVIEW**

The company has obtained the lease of the The Light Leeds Centre, excluding the hotel, from The Light Leeds Limited and has further sub-leased it to The Light Leeds Investments Limited.

### **RESULTS AND DIVIDEND**

The result for the year is shown in the profit and loss account on page 9. The directors do not recommend the payment of a dividend (2003 : nil).

### **SUPPLIER PAYMENT POLICY**

The company's suppliers are paid through HBOS plc's centralised Accounts Payable department.

For the forthcoming period HBOS plc's policy for the payment of suppliers will be as follows: -

- Payment terms will be agreed at the start of the relationship with the supplier and will only be changed by agreement;
- Standard payment terms to suppliers of goods and services will be 30 days from receipt of a correct invoice for satisfactory goods or services which have been ordered and received unless other terms are agreed in a contract;
- Payment will be made in accordance with the agreed terms or in accordance with the law if no agreement has been made; and
- Suppliers will be advised without delay when an invoice is contested and disputes will be settled as quickly as possible.

HBOS plc complies with the Better Payment Practice Code. Information regarding this Code and its purpose can be obtained from the Better Payment Practice Group's website at [www.payontime.co.uk](http://www.payontime.co.uk).

The company owed no amounts to trade creditors at 31 December 2004.

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**DIRECTORS' REPORT (Cont'd)**

**DIRECTORS AND DIRECTORS' INTERESTS**

The directors at the date of this report are as listed on page 2.

**Directors' beneficial interest in the ordinary shares of HBOS plc during the year were as follows: -**

(References to "HBOS plc shares" are to ordinary shares of 25p each in HBOS plc)

During the year, no director had any beneficial interest in the share capital of the company or of any group undertaking other than in HBOS plc, the ultimate holding company.

The beneficial interests of the directors and their immediate families in HBOS plc shares are set out below: -

	At 31 December 2003 or date of appointment if later HBOS plc shares	At 31 December 2004 HBOS plc shares
J S Lloyd	4,261	6,676
D J Walkden	18,982	90,377

**Short-term Incentive Plan – HBOS scheme and former Halifax scheme**

Certain directors have conditional entitlements to shares arising from the annual incentive plan. Where the annual incentive for any year was taken in shares and these shares are retained in trust for three years, the following shares will also be transferred to the directors: -

	Grant effective from	Shares at 31 December 2004
J S Lloyd	March 2002	585
	March 2003	681
	March 2004	887
D J Walkden	March 2002	4,746
	March 2003	4,823
	March 2004	4,265

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**DIRECTORS' REPORT (Cont'd)**

**DIRECTORS AND DIRECTORS' INTERESTS (Cont'd)**

**Long-Term Incentive Plan – HBOS scheme and former Halifax scheme**

Details of the shares which have been conditionally awarded to directors under the plans are set out below. The conditions relating to the long-term incentive plan may be found in the HBOS plc Annual Report & Accounts 2004.

	Grant effective from	At 31 December 2003 or date of appointment if later	Granted (G) or lapsed (L) in year	Added as a result of performance	Dividend reinvestment shares	Released in year	At 31 December 2004
J S Lloyd	January 2001	2,939	2,939(L)	-	-	-	-
D J Walkden	January 2001	18,321	-	18,321	4,784	41,426	-
	January 2002	15,000	-	-	-	-	15,000
	January 2003	19,270	-	-	-	-	19,270
	January 2004	-	20,920(G)	-	-	-	20,920

Shares granted under these plans can crystallise at any level between 0% and 200% of the conditional award noted in the above table, dependant upon performance. The performance period for the January 2001 grant ended on 31 December 2003 and, in the light of the performance outcome, grants were released at 200% of the conditional award. On maturity, dividend reinvestment shares equivalent to approximately 26% of the original conditional grant were also released to participants in accordance with the rules of the plan.

**Long-term Incentive Plan**

**HBOS scheme, former Bank of Scotland scheme and former Halifax scheme**

Share options granted between 1995 and 2000 under the Bank of Scotland Executive Stock Option Scheme 1995 are subject to performance pre-conditions which have now been satisfied. Share options granted under other plans are not subject to a performance precondition. Details of the options outstanding under these plans are set out below.

	Options outstanding at 31 December 2003 or date of appointment	Granted (G), lapsed (L) or exercised (E) in year	At 31 December 2004
J S Lloyd	4,651	2,385(G)	7,036

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**DIRECTORS' REPORT (Cont'd)**

**DIRECTORS AND DIRECTORS' INTERESTS (Cont'd)**

**Sharesave Plan**

Share option granted under these plans are set out below: -

	At 31 December 2003	Granted (G), lapsed (L) or exercised (E) in year	At 31 December 2004
J S Lloyd	517	1,740(G) 517(L)	1,740
D J Walkden	2,761	-	2,761
S Anderson	1,331	1,821(G)	3,152

Options under these plans were granted using middle market prices shortly before the dates of the grants, discounted by 20%.

**AUDITORS AND ANNUAL GENERAL MEETING**

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

By Order of The Board



L J W BLACK  
SECRETARY

Trinity Road  
HALIFAX  
HX1 2RG

Date 24/2/05

**THE LIGHT LEEDS CENTRE INVESTMENTS 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 and loss for that period. In preparing those accounts, 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 accounts; and
- Prepare the accounts 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 accounts 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.



## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED

We have audited the accounts on pages 9 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors are responsible for preparing the directors' report and, as described on page 7, the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relevant 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 2004 and of the results 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

1 The Embankment  
Neville Street  
LEEDS LS1 4DW

Date 24 Feb 2005

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

		<b>Continuing Operations</b>	
	<b>Note</b>	<b>2004 £000</b>	<b>2003 £000</b>
TURNOVER	2	1,665	1,875
Operating costs	3,4,5	( 1,665 )	( 1,875 )
		<hr/>	<hr/>
RESULTS FOR THE FINANCIAL YEAR	6	-	-
		<hr/>	<hr/>

All of the above amounts are in respect of continuing operations.

A statement of the movement on reserves is shown in note 6 to the financial statements on page 12.

The company has no recognised gains or losses in either year other than the result for the financial years shown above.

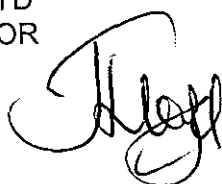
The notes on pages 11 to 14 form part of these financial statements.

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2004**

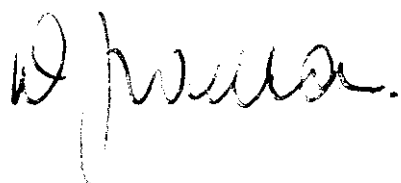
	Note	2004 £000	2003 £000
<b>CURRENT ASSETS</b>			
Debtors	7	4,184	2,598
<b>CREDITORS</b>			
Amounts falling due within one year	8	( 4,184 )	( 2,598 )
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		-	-
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	-	-
Profit and loss account	6	-	-
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	-	-
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 24/2/05 and were signed on its behalf by:

J S LLOYD  
DIRECTOR



D J WALKDEN  
DIRECTOR



The notes on pages 11 to 14 form part of these financial statements.

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**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.

**1.1 BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and have been drawn up under the historical cost convention.

The financial statements have been prepared according to the going concern basis.

**1.2 DEFERRED TAXATION**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed out by the balance sheet date, except as otherwise required by FRS19.

**1.3 CASHFLOW STATEMENT**

Under FRS1 (revised 1996) the company is exempt from the requirements to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking, and the consolidated financial statements of HBOS plc, in which the financial statements of the company are included, are publicly available.

**2. TURNOVER**

Turnover represents rentals received on leases granted.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2004 £000	2003 £000
Profit on ordinary activities before taxation is stated after charging:		
Remuneration of auditors for audit services	-	-
	<hr/>	<hr/>

Auditors' remuneration is borne by Halifax plc.

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004 (Cont'd)**

**4. STAFF NUMBERS AND COSTS**

The company employs no permanent staff. Incidental costs incurred in the management of the company were borne by the parent undertaking.

**5. DIRECTORS' EMOLUMENTS**

The directors received no emoluments in relation to their services to this company during the year.

**6. PROFIT AND LOSS ACCOUNT**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Opening balance	-	-
Profit for the financial year	-	-
	<hr/>	<hr/>
Closing balance	-	-
	<hr/>	<hr/>

**7. DEBTORS**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Amounts owed by group undertakings	4,184	2,598
	<hr/>	<hr/>
	4,184	2,598
	<hr/>	<hr/>

All amounts fall due within one year.

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Accruals and deferred income	4,184	2,598
	<hr/>	<hr/>
	4,184	2,598
	<hr/>	<hr/>

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004 (Cont'd)**

**9. LEASING COMMITMENTS**

The company has annual commitments, under non-cancellable operating leases as follows: -

	<b>2004</b>		<b>2003</b>	
	<b>Land and Buildings £000</b>	<b>Other £000</b>	<b>Land and Buildings £000</b>	<b>Other £000</b>
Lease expiring: In more than five years	1,960	-	1,960	-
	<u>1,960</u>	<u>-</u>	<u>1,960</u>	<u>-</u>

The above commitments are based on the current amounts payable.

**10. CALLED UP SHARE CAPITAL**

	<b>2004 £</b>	<b>2003 £</b>
Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2004 £000</b>	<b>2003 £000</b>
Opening shareholders' funds	-	-
Profit for the financial year	-	-
Closing shareholders' funds	<u>-</u>	<u>-</u>

**12. TRANSACTIONS WITH RELATED PARTIES**

The Light Leeds Centre Investments Limited, as a wholly owned subsidiary undertaking of Halifax plc, has prepared its financial statements in accordance with an exemption contained in FRS 8, "Related Party Disclosures". Under this exemption the company has not disclosed details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements in which The Light Leeds Centre Investments Limited is included are publicly available.

**THE LIGHT LEEDS CENTRE INVESTMENTS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004 (Cont'd)**

**13. ULTIMATE PARENT UNDERTAKING**

HBOS plc is the ultimate parent undertaking of The Light Leeds Centre Investments Limited and heads the largest group into which the accounts of the Company are consolidated. Halifax plc heads the smallest group into which the accounts of the Company are consolidated. The accounts of Halifax plc may be obtained from its Head Office at Trinity Road, Halifax HX1 2RG.