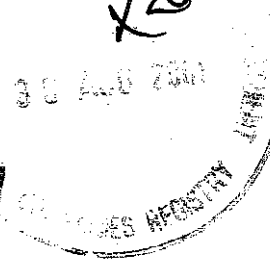
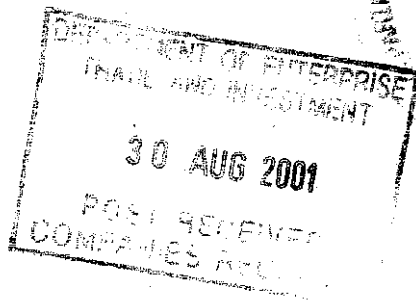


FC 3520

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Registered Number 2337274



**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2000**

**REGISTERED**

**-4 SEP 2001**

*Inc*

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**CONTENTS**

	<b>Page</b>
Directors and Company Information	2
Directors' Report	3 - 5
Statement of Directors' Responsibilities	6
Report of the Auditors	7
Profit and Loss Account	8
Balance Sheet	9
Notes to the financial statements	10-15

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**DIRECTORS AND COMPANY INFORMATION**

**DIRECTORS**

R Fleming  
S W Barker (Appointed 24th February 2000)  
J S Lloyd  
D J McPherson (Appointed 24th February 2000)  
R Spelman

**SECRETARY**

R K Moorhouse

**REGISTERED OFFICE**

Trinity Road  
HALIFAX  
HX1 2RG

**AUDITORS**

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

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED  
DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2000.

**PRINCIPAL ACTIVITY**

The principal activity of the company is property development.

**BUSINESS REVIEW**

Halifax plc, the parent undertaking, granted leases to the company for the following properties:

Plot 5 and 6, Cromac Wood, Ormeau Road, Belfast;  
4 Ballyoran Lane, Dundonald, Belfast;  
1 Baird Road, Kirkton Campus, Livingston; and  
WestBank, Water Lane, Leeds.

During the financial year the company has developed these four sites. All but Plot 5 and 6, Cromac Wood, Ormeau Road, Belfast reached the stage of practical completion during the period.

The company has in all instances entered into agreements to sell the premises to Halifax Property Investments Limited, the assignment of property occurring the first working day after practical completion.

**RESULTS AND DIVIDEND**

The results for the year are shown in the profit and loss account on page 8. The directors paid an interim dividend of £294,391.93.

**ULTIMATE HOLDING COMPANY**

The ultimate parent undertaking, Halifax Group plc owns all the ordinary share capital of Halifax plc, the parent undertaking of Leeds Permanent Development Services Limited.

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED  
DIRECTORS' REPORT (CONT'D)**

**SUPPLIER PAYMENT POLICY**

For the forthcoming period, the company'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 we have 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;
- suppliers will be advised when an invoice is contested without delay and we will settle disputes as quickly as possible.

The company will comply with the Better Payment Practice Group's 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).

At 31 December 2000 for Halifax Group plc 24 days billing from suppliers were outstanding.

**DIRECTORS AND DIRECTORS' INTERESTS**

The directors who served during the year were as follows:

S W Barker (Appointed 24th February 2000)  
R Fleming  
J S Lloyd  
D J McPherson (Appointed 24th February 2000)  
R Spelman

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

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED  
DIRECTORS' REPORT (CONT'D)**

**DIRECTORS AND DIRECTORS' INTERESTS (CONT'D)**

The interests of the directors in the shares of the ultimate holding company, including interests in shares held beneficially under the long term and short term bonus schemes, were as follows:-

	At 31 December 2000	At 1 January 2000 or Date of Appointment
S W Barker	558	558
R Fleming	25,253	9,476
J S Lloyd	8,070	1,562
D J McPherson	4,962	185
R Spelman	100,018	36,674

Share interests in the long term bonus scheme included above represent the maximum number which could be released under the term of that scheme.

Under the terms of the Halifax plc Sharesave Scheme 2000, options to acquire shares in the ultimate holding company were granted to or exercised by the following directors:-

	Number of Options Granted in Year	Number of Options Exercised in Year
S W Barker	-	-
R Fleming	2,362	-
J S Lloyd	1,653	-
D J McPherson	823	-
R Spelman	-	-

**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

R K MOORHOUSE  
SECRETARY

Trinity Road  
HALIFAX  
HX1 2RG  
16 February 2001

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**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 as at the end of the financial year and of the profit or loss of the company for the financial 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 which 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.

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**

We have audited the financial statements on pages 8 to 15.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the directors' report and, as described on page 6 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 require for our audit, or if information specified by law regarding directors' remuneration and transactions 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 the 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 reasonable 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

16 February 2001

1 The Embankment  
Neville Street  
LEEDS  
LS1 4DW



**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Note	Continuing Operations	
		2000 £000	1999 £000
TURNOVER	2	42,774	-
Cost of sales		(42,489)	-
		<hr/>	<hr/>
GROSS PROFIT		285	-
Administrative expenses		(2)	-
		<hr/>	<hr/>
OPERATING PROFIT		283	-
Interest receivable and similar income	3	108	422
Interest payable and similar charges	4	(2)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5,6	389	422
Tax on profit on ordinary activities	7	(117)	(128)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	9	272	294
Dividends	8	(294)	(6,903)
		<hr/>	<hr/>
TRANSFER FROM RESERVES	9	(22)	(6,609)
		<hr/>	<hr/>

A statement of the movement on reserves is shown in Note 9 to the financial statements on page 12.

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

The notes on pages 10 to 15 form part of these financial statements.

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2000**

	Note	2000 £000	2000 £000	1999 £000	1999 £000
<b>CURRENT ASSETS</b>					
Stock	10	22,147		-	
Debtors	11	55,550		7,297	
<b>CREDITORS: amounts falling due within one year</b>	12	(2,974)		(6,993)	
<b>NET CURRENT ASSETS</b>			74,723		304
<b>CREDITORS: amounts falling due after more than one year</b>	13		(74,441)		-
<b>NET ASSETS</b>			282		304
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		10		10
Profit and loss account	9		272		294
<b>EQUITY SHAREHOLDER'S FUNDS</b>	15		282		304

These financial statements were approved by the Board of Directors on 16 February 2001 and were signed on its behalf by:

  
J S LLOYD

DIRECTOR

The notes on pages 10 to 15 form part of these financial statements.

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED  
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.

**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, as Halifax Group plc, the ultimate parent undertaking has indicated that it will continue to provide financial and other support for the foreseeable future.

**1.2. STOCK**

Stock is valued at the lower of cost and net realisable value. Cost is computed at historic cost. Net realisable value is based on estimated selling price less the estimated cost of disposal.

**1.3. CASH FLOW STATEMENT**

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

**1.4. DEFERRED TAXATION**

Provision is made using the liability method at the relevant rate of corporation tax for all material timing differences where it is considered that an asset or liability will crystallise in the foreseeable future.

**2. TURNOVER**

Turnover comprises the price payable by Halifax Property Investments Limited for completed premises and settlement by Halifax plc for initial works carried out at the premises.

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000 (CONT'D)**

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2000 £000	1999 £000
Interest receivable from group undertakings	101	422
Other interest receivable	7	-
	<hr/> 108	<hr/> 422

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2000 £000	1999 £000
Interest payable to group undertakings	2	-
	<hr/> 2	<hr/> -

**5. STAFF NUMBERS AND COSTS**

During either year the company employed no permanent staff. Incidental costs incurred in the management of the company were borne by the parent undertaking.

The directors received no emoluments from the company during either year.

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

	2000 £000	1999 £000
Profit on ordinary activities before tax is stated after charging:		
- remuneration of auditors for audit services	2	-
	<hr/>	<hr/>

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000 (CONT'D)**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
The charge for the year, based on a corporation tax rate of 30.00% (1999:30.25%) comprises:		
- Corporation tax	117	128
	<hr/>	<hr/>

**8. DIVIDENDS**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Ordinary shares		
Interim (paid/proposed)	294	6,903
	<hr/>	<hr/>
	294	6,903
	<hr/>	<hr/>

**9. PROFIT AND LOSS ACCOUNT**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
At 1 January 2000/1999	294	6,903
Transfer from reserves	(22)	(6,609)
	<hr/>	<hr/>
At 31 December 2000/1999	272	294
	<hr/>	<hr/>

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000 (CONT'D)**

**10. STOCK**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Property in the course of construction	22,147	-
	<hr/> 22,147 <hr/>	<hr/> - <hr/>

**11. DEBTORS**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Amounts owed by group undertakings	42,641	7,297
VAT recoverable	7,149	-
Prepayments and accrued income	5,760	-
	<hr/> 55,550 <hr/>	<hr/> 7,297 <hr/>

Amounts fall due within one year.

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

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Amounts owed to group undertakings	211	-
Corporation Tax	90	90
Proposed dividend	-	6,903
Accruals and deferred income	2,673	-
	<hr/> 2,974 <hr/>	<hr/> 6,993 <hr/>

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000 (CONT'D)**

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000 £000	1999 £000
Amounts owed to group undertakings	74,441	-
	<hr/> 74,441	<hr/> -

Amounts owed to group undertakings are secured by debenture and provided interest free. Repayment of the loans to occur by 1 April 2003. Total facility made available to the company is £83,000,000.

**14. CALLED UP SHARE CAPITAL**

	2000 £000	1999 £000
Authorised 1,000,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid 10,000 ordinary shares of £1 each	10	10
	<hr/>	<hr/>

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2000 £000	1999 £000
Profit for the financial year	272	294
Paid/proposed dividends	(294)	(6,903)
Opening shareholder's funds	304	6,913
	<hr/>	<hr/>
Closing shareholder's funds	282	304
	<hr/>	<hr/>

**LEEDS PERMANENT DEVELOPMENT SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONT'D)**

**16. TRANSACTIONS WITH RELATED PARTIES**

Leeds Permanent Development Services 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 Leeds Permanent Development Services Limited is included are publicly available.

**17. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking Halifax Group plc owns all the ordinary share capital of Halifax plc, the parent undertaking. Halifax Group plc is registered in England and Wales and operates in the United Kingdom.

Copies of the financial statements of Halifax Group plc and Halifax plc can be obtained from Trinity Road, Halifax, West Yorkshire, HX1 2RG, which is its principal place of business for both companies.