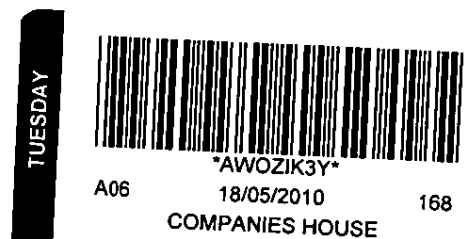


**Leek Finance Holdings Number Twenty One  
Limited**

**Directors' report and financial statements  
for the year ended 31 December 2009**

**Registered Number 06386343**



# **Leek Finance Holdings Number Twenty One Limited**

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# **Leek Finance Holdings Number Twenty One Limited**

## **Directors and advisors**

### **Directors**

D R Baker  
Capita Trust Corporate Limited  
Capita Trust Corporate Services Limited  
PCSL Services No 1 Limited

### **Secretary**

TMF Corporate Administration Services Limited

### **Independent auditors**

KPMG Audit Plc  
St James Square  
Manchester  
M2 6DS

### **Registered office**

Pellipar House, 1<sup>st</sup> floor  
9 Cloak Lane  
London  
EC4R 2RU

### **Registered number**

06386343

# **Leek Finance Holdings Number Twenty One Limited**

## **Directors' report for the year ended 31 December 2009**

The directors present their report and the audited financial statements of the company (Registered Company No 06386343) for the year ended 31 December 2009

### **Principal activities**

The principal activity of the Company is that of an investment holding company. The Company has been dormant throughout the current period since the opening incorporation transactions, and the directors do not anticipate that the Company will trade during 2010.

### **Review of business and future developments**

Leek Finance Holdings Number Twenty One Limited is a subsidiary of The Co-operative Bank plc following the merger between The Co-operative Bank plc and Britannia Building Society. The merger became effective on 1 August 2009.

### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

The directors do not consider there to be any principal risks or uncertainties affecting this Company.

As set out more fully in the Statement of accounting policies, these financial statements have been prepared under the current International Financial Reporting Standards (IFRS) framework as endorsed by the European Union (EU). All financial information given in this directors' report is taken solely from the statutory results prepared on the above basis.

### **Results and dividends**

The profit for the year, after tax, amounted to nil (2008: nil). The net assets for the year amounted to £1. The directors do not propose a dividend for the year (2008: nil).

### **Directors and their interests**

The directors who held office during the year are given below:

D R Baker  
Capita Trust Corporate Limited  
Capita Trust Corporate Services Limited  
PCSL Services No 1 Limited

No director had a beneficial interest in the share capital of the Company or any other company in the Group at any time during the year under review.

### **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 they are elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

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 estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

# **Leek Finance Holdings Number Twenty One Limited**

## **Directors' report for the year ended 31 December 2009 (continued)**

### **Statement of directors' responsibilities (continued)**

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 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.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent Auditors**

During the year, Pricewaterhousecoopers LLP resigned as auditors to the Company, and the directors appointed KPMG Audit plc who, have indicated their willingness to continue in office. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

### **Financial risk management**

The directors have considered the financial risks affecting the Company and believe that there are no direct financial risks relating to Leek Finance Holdings Number Twenty One Limited that require disclosure.

On behalf of the Board

Signed   
**J Rowan for PCSL Services No.1 Limited**  
Director

Date 6 May 2010

Signed   
**D Tweedy for PCSL Services No 1 Limited**  
Director

Date 6 May 2010

# **Leek Finance Holdings Number Twenty One Limited**

## **Independent auditors' report to the members of Leek Finance Holdings Number Twenty One Limited**

We have audited the financial statements of Leek Finance Holdings Number Twenty One Limited for the year ended 31 December 2009 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Part 3 of Chapter 16 of the Companies Act 2006. 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 auditors' 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**

As explained more fully in the statement of directors' responsibilities set out on pages 2 and 3, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 the results for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

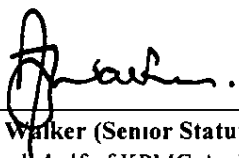
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

Signed   
Andrew Walker (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor

Date 6 May 2010

### **Chartered Accountants**

KPMG Audit Plc  
St James Square  
Manchester  
M2 6DS

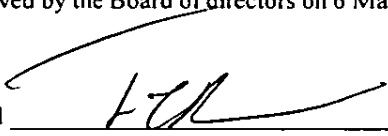
# **Leek Finance Holdings Number Twenty One Limited** **Balance sheet as at 31 December 2009**

		2009	*Restated 2008
	Notes	£	£
<b>Assets</b>			
Investments if available for sale financial assets	4	12,501	12 501
<b>Total assets</b>		<b>12,501</b>	<b>12 501</b>
<b>Liabilities</b>			
Other payables	5	12,500	12,500
<b>Total liabilities</b>		<b>12,500</b>	<b>12 500</b>
<b>Equity</b>			
Called-up share capital	6	1	1
<b>Total equity and liabilities</b>		<b>12,501</b>	<b>12,501</b>

\* The prior year figures in relation to the investment in available for sale investments has been adjusted to correctly disclose the value paid for the share capital in the equity investment This had incorrectly been disclosed in prior years

The accounting policies and notes on pages 5 to 9 form part of these financial statements

Approved by the Board of directors on 6 May 2010 and signed on its behalf by

Signed   
**J Rowan for PCSL Services No.1 Limited**  
 Director

Signed   
**D Tweedy for PCSL Services No 1 Limited**  
 Director

**Leek Finance Holdings Number Twenty One Limited**  
**Statement of changes in equity for the year ended 31 December 2009**

	Share Capital	Retained Earnings	Total
	£	£	£
<b>Year ended 31 December 2009</b>			
At 1 January	1	-	1
At 31 December	1	-	1

	Share Capital	Retained Earnings	Total
	£	£	£
<b>Year ended 31 December 2008</b>			
At 1 January	1	-	1
At 31 December	1	-	1



# **Leek Finance Holdings Number Twenty One Limited**

## **Statement of accounting policies**

### **for the year ended 31 December 2009**

#### **Basis of preparation**

Leek Finance Holdings Number Twenty One Limited is a company incorporated and domiciled in the United Kingdom. The accounts of the Company are presented in sterling unless otherwise stated.

The Company's financial statements have been prepared under the historical cost convention.

The Company is required to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and implemented in the UK, interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to organisations reporting under IFRS.

There are no significant uncertainties or key estimates applied in the basis of preparing these financial statements.

#### **Investment in available for sale financial assets**

The Company's investment in equity securities are classified as available for sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein other than impairment losses and foreign exchange gains and losses on available for sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured shall be measured at cost.

#### **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months to maturity from the date of acquisition.

#### **Taxation**

Corporation tax and any group tax relief arising is provided at current rate on the taxable profits for the year.

#### **Investments**

Investments are carried at the lower of cost and net realisable value.

# Leek Finance Holdings Number Twenty One Limited

## Notes to the financial statements

### for the year ended 31 December 2009

#### 1 Statement of comprehensive income

No statement of comprehensive income has been prepared as the Company has received no income, incurred no expenditure and, consequently, the Company has made neither a profit nor a loss in the current or prior year

#### 2 Statement of cash flows

The Company did not trade, nor did it receive any cash inflows or incur any cash outflows in the current or prior year, accordingly it did not make or use any cash in either year

#### 3 Directors' emoluments and employees

The directors received no emoluments for services rendered during the current or prior year

There are no directors to whom benefits are accruing under The Co-operative Bank plc pension schemes (2008 nil)

The Company had no employees during the current or prior year

#### 4 Investment in available for sale financial assets

The Company's investment in equity securities are classified as available for sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein other than impairment losses and foreign exchange gains and losses on available for sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured shall be measured at cost.

	2009 £	Restated 2008 £
Fair value at beginning and end of the year	12,501	12,501
	12,501	12,501

The prior year figures in relation to the investment in available for sale investments has been adjusted to correctly disclose the value paid for the share capital in the equity investment. This had incorrectly been disclosed in prior years.

#### 5 Other payables

	2009 £	2008 £
Amounts owed to The Co-operative Bank plc	12,500	12,500
	12,500	12,500

**Leek Finance Holdings Number Twenty One Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2009 (continued)**

**6 Called-up share capital**

	2009	2008
	£	£
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Issued and fully paid</b>		
1 ordinary share of £1	1	1

**7 Ultimate parent undertaking**

The Company's immediate parent undertaking and controlling entity is Capita Trust Nominees No 1 Limited, which holds 100% of the issued share capital of Leek Finance Holdings Number Twenty One Limited, subject to the terms of a declaration of trust for general charitable purposes

The Company meets the definition of a special purpose entity under IFRS. In accordance with the requirements of SIC 12 "Consolidation- Special Purpose Entities", the Company's accounts are consolidated within the group accounts of The Co-operative Bank plc for the year ended 31 December 2009

The ultimate parent undertaking of Leek Finance Holdings Number Twenty One Limited is The Co-operative Bank plc by virtue of amendments introduced by the Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004. The Co-operative Bank plc is wholly owned by The Co-operative Group Limited.

The largest group in which the results of the Company are consolidated is that headed by The Co-operative Group Limited. The Co-operative Group Limited is a mutual organisation owned by its members and consequently has no controlling body. It is incorporated in Great Britain and registered in England and Wales under the Industrial and Provident Society Acts 1965 to 2002. The Co-operative Group Limited is the ultimate parent company and ultimate controlling party. The financial statements of the ultimate parent company are available from New Century House, Manchester, M60 4ES. The smallest group in which they are consolidated is that headed by The Co-operative Bank plc, which is incorporated in Great Britain. The financial statements of this group are available from 1 Balloon Street, Manchester, M60 4EP.

**8 Related party disclosures**

As stated in the note above, the Company is a subsidiary of The Co-operative Group Limited. Consequently the directors of the Company consider The Co-operative Group Limited and its subsidiaries to be related parties of the Company. Transactions with The Co-operative Group Limited and its subsidiaries are disclosed in the financial statements below.

	Balance due from LFH21
Year ended 31 December 2009	£
The Co-operative Bank plc	(12,500)
	<u>Balance due from LFH16</u>
Year ended 31 December 2008	£
The Co-operative Bank plc (formerly 'Britannia Building Society')	(12,500)

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.