

Directors' Report, Accounts and  
Annual Business Statement



*For the year ended  
31st December 2008*



**31 DECEMBER 2008**

**SOCIETY INFORMATION**

---

Established and incorporated 1953  
Financial Services Authority Registered No. 157260  
Eligible for investments by trustees  
Member of the Building Societies Association  
Member of the Council of Mortgage Lenders

**Head Office**

Mardall House  
9-11 Vaughan Road  
Harpenden  
Hertfordshire  
AL5 4HU

**Directors**

Michael W. Willis, FCA

Chairman

Nigel S. Terry

Vice-Chairman

David J. Holland  
Paul G. Marsden, BSc (Hons), DipOccPsych  
John W. Pigott  
Roger J. Smith  
Hugh H. Titcomb, BA (Hons), FCIB  
Kate M. Wilson, BA (Hons), MBA (Harvard)

(Retired 31 December 2008)  
(Retired 31 December 2008)  
(Appointed 29 May 2008)  
(Appointed 29 May 2008)

**Executive**

Paul G. Marsden, BSc (Hons), DipOccPsych  
Richard S. Mason, BA (Hons), FCIB  
Carl D. Astley, BSc (Hons), ACA  
Philip L. Bannister

Director, Chief Executive & Secretary  
Head of Lending  
Finance Manager  
Head of Operations

**Solicitors**

Neves  
2 Sun Lane  
Harpenden  
Hertfordshire  
AL5 4ET

**Bankers**

HSBC Bank plc  
1 High Street  
Harpenden  
Hertfordshire  
AL5 2RS

**Auditors**

Mazars LLP  
Chartered Accountants  
The Atrium  
Park Street West  
Luton  
Bedfordshire  
LU1 3BE

## REPORT OF THE DIRECTORS

---

The directors have pleasure in presenting their fifty-sixth Annual Report and Accounts for the year ended 31 December 2008.

## CORPORATE GOVERNANCE AND BOARD COMMITTEES

---

The Board of Directors is committed to best practice in corporate governance and applies the principles in the Combined Code insofar as that guidance applies to building societies.

The current Board comprising one executive, four non-executives and the Chairman meet formally on a monthly basis. All Board members have the benefit of appropriate liability insurance at the Society's expense and all have access to independent professional advice if required.

All directors, both on appointment and thereafter, must meet the tests of fitness and propriety prescribed by the Financial Services Authority (FSA) and are required to be registered with the FSA.

As well as attending Board meetings all directors are required to serve on one or more of the following committees:

**The Remuneration Committee** is responsible for recommending the appointment and remuneration of non-executive directors, the appointment, terms of employment and remuneration of executive and senior management. The Committee meets as required but at least once a year. It comprises two non-executive directors.

**The Mortgage Committee**, comprising one executive and two non-executive directors, meets monthly to review all new mortgage lending and arrears and also makes policy recommendations to the Board.

**The Management Committee** comprising a non-executive director and all senior management meets monthly to consider operational matters, review business performance and monitor costs.

**The Audit Committee** comprising three non-executive directors and the Internal Auditors meets quarterly. It oversees external audit and internal control and its duties include the setting and review of procedures, systems, control and inspection. The executive directors are normally invited to attend all, or part, of the meetings but are not members of the Committee.

Further details of the membership of Board Committees are given in the Annual Business Statement on page 31.

## DIRECTORS' ATTENDANCE RECORD 2008

	<i>Board</i>	<i>AGM</i>	<i>Audit</i>	<i>Mortgage</i>	<i>Management</i>	<i>Remuneration</i>
M.W. Willis	11 (11)	1 (1)	1 (1)	2 (2)	2 (2)	- (-)
N.S. Terry	9 (11)	1 (1)	2 (4)	8 (10)	0 (1)	- (-)
D.J. Holland	8 (11)	0 (1)	4 (4)	7 (7)	- (-)	1 (1)
P.G. Marsden	10 (11)	1 (1)	4 (4)	8 (12)	12 (12)	- (-)
J.W. Pigott	10 (11)	1 (1)	- (-)	2 (2)	6 (6)	1 (1)
R.J. Smith	9 (11)	1 (1)	3 (3)	6 (6)	1 (1)	- (-)
H.H. Titcomb	6 (7)	- (-)	3 (3)	4 (4)	- (-)	- (-)
K.M. Wilson	6 (7)	- (-)	- (-)	- (-)	3 (2)	- (-)

( ) = Number of meetings expected to attend

## DIRECTORS' REMUNERATION REPORT

This report explains the Society's policy on the remuneration of executive and non-executive directors. Where possible this follows the Combined Code, which sets out best practice on Corporate Governance relating to remuneration.

### Remuneration Committee

The Committee, comprising two non-executive directors, is responsible for recommending the level of executive and non-executive directors' pay and benefits to the Board.

### Non-Executive Directors

Fees are based on comparable data from similar financial service organisations and are reviewed annually. Non-executive directors do not qualify for a pension or a bonus but do qualify for Death-in-Service benefit at the rate of three times annual fees. Performance of individual directors is assessed by the chairman, and he in turn is assessed by the other members of the Board.

### Executive Directors' Remuneration

Policy is designed to attract, retain and encourage high calibre executives to manage and develop business for the Society.

- Basic Salary - takes into account duties, responsibilities, performance and levels for comparable positions in other organisations.
- Pensions - the chief executive director has a defined contribution personal pension arrangement to which the Society and employee both contribute.
- Benefits - each executive director is entitled to a company car (or car allowance) and private medical insurance for self and spouse and Death-in-Service benefit at the rate of three times annual salary.

Details of Directors' emoluments are given in Note 7 to the accounts

## **DIRECTORS' RESPONSIBILITIES FOR PREPARING THE ANNUAL ACCOUNTS**

---

The following statement, which should be read in conjunction with the statement of Auditors' Responsibilities on page 9, is made by the directors to explain their responsibilities in relation to the preparation of the annual accounts, annual business statement and directors' report.

The directors are required by the Building Societies Act 1986 (the Act) to prepare for each financial year, annual accounts which give a true and fair view;

- of the affairs of the Society as at the end of the financial year;
- of the income and expenditure of the Society for the financial year.

In preparing these accounts, the directors are required to:

- select appropriate accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable U.K. accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis, unless it is inappropriate to presume the Society will continue in business.

In addition to the accounts, the Act requires the directors to prepare, for each financial year, an annual business statement and a directors' report, each containing prescribed information relating to the business of the Society.

## **DIRECTORS' RESPONSIBILITIES FOR ACCOUNTING RECORDS AND INTERNAL CONTROL**

---

The directors are responsible for ensuring that the Society:

- keeps accounting records in accordance with the Building Societies Act 1986 (as amended), and
- takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business in accordance with the rules made by the Financial Services Authority under the Financial Services & Markets Act 2000.

The directors have general responsibility for safeguarding the assets of the Society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **GOING CONCERN**

---

The directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## **BUSINESS OBJECTIVES AND ACTIVITIES**

---

The Society's business objectives and principal activities are to provide a secure home for personal, commercial and semi-commercial savings and to encourage owner-occupation by the provision of mortgage finance. The Society intends to remain an independent local society with a strong capital position offering a high standard of personalised service to members together with competitive rates of interest.

## **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

---

Your Board is pleased to announce a very successful year of business measured by a number of yardsticks. Our deposits increased markedly both in terms of amounts deposited and the number of depositors. We continued to grow the number of borrowers and our net lending figures remained at the record levels achieved in 2007 at the height of the market, without compromising our lending criteria.

These achievements have been realised against a background of unprecedented upheavals in the market along with considerable reductions in both the number of houses sold and underlying interest rates.

In detail, share and deposit balances increased by 11.05% to £163m, and our mortgage balances increased by 9.16% to £130m.

Your Society held no wholesale money market deposits at the end of the year, the overall growth being financed by the increase in retail balances. Indeed liquidity at the year end totals some £45.6m providing the comfort and security that our members require.

In terms of result, excluding the levy from the Financial Services Compensation Scheme (FSCS) to which I refer below and before relocation costs for the new head office, we reached the highest surplus before tax that your Society has ever achieved.

During the year under review, we have restructured the composition of the Board of Directors following the retirement of the Chairman, Roger Smith, and John Pigott. Both Roger and John have been loyal and longstanding members of the Board and I pay tribute to their wisdom and dedication which has been instrumental in placing the Society in the strong position it enjoys today. We welcome to the Board Hugh Titcomb and Kate Wilson. Both are Harpenden residents with highly relevant skills. We look forward to their contributions over the coming years.

Turning now to the FSCS. You will see from the detailed accounts that your Society has been required to pay a levy of £175,446 to the FSCS. This levy is the first part of a total sum amounting to an estimated £284,000 to be paid over the next three years. In essence, this amount represents the Government's attempt to claw back from the building society sector the cost of the funds they utilised in supporting the bank bailout of Bradford & Bingley plc, London Scottish Bank plc and the UK subsidiaries of the failed Icelandic banks. The levy is based on deposits held at the end of the financial accounting year. Interestingly therefore, the highest levies are to be paid by those financial institutions which adopted a conservative approach to their business by only lending depositor's money rather than lending monies borrowed on the wholesale market. Thus the wise lenders pay for the folly of the foolish lenders.

Finally, your board are especially thankful for the continuing support of members, customers, business partners and in particular, the staff, in our three branches and at the head office. The year-end saw a move to our new Head Office in Harpenden and we feel confident that our new surroundings will give us a firm platform to continue the Society's growth and success.

## **TOTAL ASSETS**

---

The Society's total assets at the end of 2008 were £176,059,270, an increase of £17,823,721 or 11.26% for the year (2007: 8.17%).

## **LIQUID ASSETS**

---

Cash deposits with banks, building societies and local authorities as at 31 December 2008 were £45,667,166 representing 25.94% of total assets (2007: 24.58%).

## **COMMERCIAL ASSETS**

---

During the year, over £33,257,340 was advanced to new and existing borrowers. Total mortgage balances increased by £10,869,777, or 9.16%, to £129,548,713.

The proportion of mortgage assets fully secured on non-residential property as at 31 December 2008 was 8.76% (2007: 7.48%). The statutory limit is 25%.

## **SHARES, DEPOSITS AND LOANS**

---

Share and deposit balances at 31 December 2008 were £163,162,450, an increase of £16,661,640 or 11.05%.

The proportion of share and deposit liabilities held in the form of deposits as at 31 December 2008 was 9.62% (2007: 9.36%). The statutory limit is 50%. Depositors are not members of the Society and have no voting rights.

## **FIXED ASSETS**

---

The Society's freehold premises were professionally revalued in December 2004 at £394,290 more than the net book value. However the December 1998 revaluation has to be retained as the basis for accounting policy purposes.

## **CAPITAL**

---

The Society's total reserves increased by £903,809, being the post-tax operating profit for the year. Gross capital now stands at £11,713,417, or 7.18% of share and deposit liabilities (2007: 7.38%).

The Society's free capital (gross capital less fixed assets) now represents 6.81% of share and deposit liabilities (2007: 7.04%).

## **OPERATING COSTS**

---

Costs, as a percentage of mean total assets, increased on 2007 and the management expenses ratio changed from 1.13% to 1.20%. Within these costs are expenses relating to our move to new Head Office premises.

## **DIRECTORS**

---

The following persons were directors of the Society throughout 2008:

M.W. Willis (Chairman)  
N.S. Terry (Vice-Chairman)  
D.J. Holland  
P.G. Marsden  
J.W. Pigott (Retired 31 December 2008)  
R.J. Smith (Retired 31 December 2008)  
H.H. Titcomb (Appointed 29 May 2008)  
K.M. Wilson (Appointed 29 May 2008)

Messrs. M.W. Willis, D.J. Holland, and N.S. Terry have served as non-executive directors for more than nine years and now offer themselves for re-election annually.

## **AUDITORS**

---

Mazars LLP have signified their willingness to continue in office and a resolution to approve their re-appointment as auditors will be proposed at the Annual General Meeting on 24 April 2009.

## **ACTIVITIES**

---

The directors confirm that no activities have been carried on during the year, which are outside the powers of the Society. No political donations have been made during 2008, which require disclosure under the Act.

Charitable donations during the year amounted to £40,000 charged under deed of trust to the Charities Aid Foundation to be used for the benefit of the community and local charities nominated by the Society. As at 31 December 2008, the value of the HBS Charitable Trust was £60,314.

The incentive offered to members to vote at the Annual General Meeting in April 2008 also produced £2,454 which was donated to Alzheimer's Society.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

---

The Society has put in place a formal risk management structure that includes its Internal Capital Adequacy Assessment Process (ICAAP), policy statements, exposure limits, mandates and reporting lines together with an active risk review process to mitigate risks.

## **CREDITOR PAYMENT POLICY**

---

The Society's policy concerning the payment of its trade creditors for the next financial year is to pay in accordance with agreed terms where invoices are submitted for products or services which have conformed to requirements specified by the Society. Amounts due to the relevant creditors of the Society are paid on average within 11 days of receipt of invoice.

## **EVENTS SINCE THE YEAR END**

---

There have been no post Balance Sheet events that would have a material effect on the financial position of the Society.

## **ACKNOWLEDGEMENTS**

---

The directors wish to record their appreciation to the management and staff for the commitment and enthusiasm that they contribute to the Society. Thanks are also due to all our members, agents and professional contacts for their continued support.

**On behalf of the Board of Directors**

**M.W. Willis**  
**Chairman**

24 March 2009

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARPENDEN BUILDING SOCIETY**

---

We have audited the annual accounts of Harpenden Building Society for the year ended 31 December 2008 which comprise the income and expenditure account, balance sheet, cash flow statement and the related notes. These accounts have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the policies set out therein. We have examined the annual business statement (other than the details of officers and directors upon which we are not required to report) and the directors' report.

This report is made solely to the Society's members, as a body, in accordance with the Building Societies Act 1986 and regulations made under it. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND OF THE AUDITORS**

---

The directors are responsible for preparing the directors' report, the annual business statement and, as described on page 4, the annual accounts in accordance with United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the annual accounts give a true and fair view and are properly prepared in accordance with the Building Societies Act 1986 and regulations made under it. We also report to you our opinion as to whether certain information in the annual business statement gives a true representation of the matters in which it is given, whether the information in the directors' report is consistent with the accounting records and the annual accounts and whether the annual accounts, the annual business statement and the directors' report have each been prepared in accordance with the applicable requirements of the Building Societies Act 1986 and regulations made under it.

We also report to you if, in our opinion, the annual accounts are not in agreement with the accounting records and if we have not received all the information and explanations that we require for our audit.

## **BASIS OF OPINION**

---

We conducted our audit of the Annual Accounts in accordance with International Standards on Auditing (UK and Ireland). An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Annual Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Annual Accounts, and of whether the accounting policies are appropriate to the Society'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 Annual 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 Annual Accounts.

## **OPINION**

---

In our opinion:

- (a) the Annual Accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Society as at 31 December 2008, the income and expenditure and cash flows of the Society for the year then ended;
- (b) the information given in the Annual Business Statement (other than the information upon which we are not required to report) gives a true representation of the matters in respect of which it is given;
- (c) the information given in the Directors' Report is consistent with the accounting records and the Annual Accounts; and
- (d) the Annual Accounts, the Annual Business Statement and the Directors' Report have each been prepared in accordance with the applicable requirements of the Building Societies Act 1986 and regulations made under it.

### **MAZARS LLP**

Chartered Accountants and Registered Auditors  
The Atrium  
Park Street West  
Luton  
LU1 3BE

24 March 2009

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Notes</b>	<b>2008 £000</b>	<b>2007 £000</b>
Interest receivable and similar income	2	10,863	10,049
Interest payable and similar charges	3	7,655	7,146
<b>Net interest receivable</b>		<u>3,208</u>	<u>2,903</u>
Fees and commissions receivable		127	211
Fees and commissions payable		(74)	(96)
Other operating income	4	252	252
<b>Total income</b>		<u>3,513</u>	<u>3,270</u>
Administrative expenses	5	1,952	1,683
Depreciation and other amounts written off tangible fixed assets	14	51	43
Other operating charges		-	-
Operating profit before provisions		<u>1,510</u>	<u>1,544</u>
Provisions for losses	13	95	(8)
Provisions for FSCS Levies	13	175	-
<b>Profit on ordinary activities before tax</b>		<u>1,240</u>	<u>1,552</u>
Tax on profit on ordinary activities	8	336	470
<b>Profit for the financial year</b>	21	<u><u>904</u></u>	<u><u>1,082</u></u>

There have been no recognised gains or losses other than the profit for the years disclosed above, all of which are in respect of continuing activities.

## BALANCE SHEET AT 31 DECEMBER 2008

	Notes	2008 £000	2007 £000
<b>Assets</b>			
Cash in hand and balances with the Bank of England		42	31
Loans and advances to credit institutions	9/10	45,625	38,857
Loans fully secured on residential property	11	118,420	109,964
Other loans	11	11,129	8,715
Tangible fixed assets	14	602	498
Other assets	15	241	171
<b>Total Assets</b>		<u>176,059</u>	<u>158,236</u>
<b>Liabilities</b>			
Shares	16	147,473	132,795
Amounts owed to credit institutions	17	-	-
Amounts owed to other customers	18	15,689	13,706
Other liabilities	19	1,008	925
Provisions for liabilities	19	-	-
Provisions for FSCS Levies	13/24	175	-
		<u>164,345</u>	<u>147,426</u>
Reserves			
General reserves	21	11,349	10,445
Revaluation reserve	22	365	365
		<u>11,714</u>	<u>10,810</u>
<b>Total Liabilities</b>		<u>176,059</u>	<u>158,236</u>

### Memorandum Items

At 31 December 2008, there were no contingent liabilities or capital commitments other than that stated in Note 24.

These Accounts were approved by the Board of Directors on 24 March 2009.

M.W. Willis	<b>Chairman</b>
N.S. Terry	<b>Vice-Chairman</b>
P.G. Marsden	<b>Director, Chief Executive &amp; Secretary</b>

(The notes on pages 14 to 28 form part of these Accounts)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Notes</b>	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Net cash inflow/(outflow) from operating activities		10,234	(1,261)
Taxation paid		(470)	(334)
Capital expenditure and financial investment	23	(155)	(44)
Increase/(decrease) in cash	23	<u>9,609</u>	<u>(1,639)</u>

**Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Profit on ordinary activities before tax	1,240	1,552
(Movement) in prepayments and accrued income including accrued interest	(27)	(38)
Movement in accruals and deferred income	237	(59)
Provisions for bad and doubtful debts	95	(8)
Loans and advances written off net of recoveries	(95)	8
Provisions for FSCS Levies	175	-
Depreciation and amortisation	51	43
(Profit)/loss on sale of tangible fixed assets	-	-
<b>Net cash inflow from trading activities</b>	<u>1,676</u>	<u>1,498</u>
(Increase) in loans and advances to customers	(10,870)	(11,188)
Increase in shares	14,678	10,856
Increase/(decrease) in amounts owed to credit institutions and other customers	1,983	(148)
Decrease/(increase) in loans and advances to credit institutions	2,787	(2,361)
(Increase) in other liquid assets	-	-
(Decrease)/increase in other liabilities	(20)	82
<b>Net cash inflow/(outflow) from operating activities</b>	<u>10,234</u>	<u>(1,261)</u>

## **NOTES TO THE ACCOUNTS**

---

### **1. PRINCIPAL ACCOUNTING POLICIES**

#### **Accounting Convention**

The Accounts are drawn up under the historical cost convention as modified by the revaluation of certain freehold land and buildings.

#### **Basis of Preparation**

The Accounts have been prepared in accordance with the Building Societies (Accounts and Related Provisions) Regulations 1998 ('the new Regulations') and applicable accounting standards.

#### **Liquid Assets**

Liquid assets are stated at cost to the Society together with interest accrued to the balance sheet date. Interest accrued at the date of purchase and sale of liquid assets is treated as capital.

#### **Fixed Assets and Depreciation**

The Society has taken advantage of Financial Reporting Standard 15 ("Tangible Fixed Assets") to retain the carrying value of assets revalued in prior accounting periods. The cost of additions and major alterations to office premises and equipment is capitalised. The cost or revaluation amount of fixed assets is written off over their estimated useful lives as follows:

Freehold buildings over 50 years.

Leasehold premises over the remainder of the lease.

Computer equipment over three years.

Motor vehicles are depreciated on a reducing balance basis at 25% and 15% on office equipment.

#### **Deferred Taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on the revaluation of fixed assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Pension Costs**

The Society maintains a defined contribution Pension Scheme, which is funded by contributions from the Society and its employees. The Scheme is administered externally by an assurance company and contributions are apportioned to management expenses in the year in which they are made and are included in staff costs.

## NOTES TO THE ACCOUNTS (continued)

### Provisions for Loans and Advances

The Society makes full provision for losses on all "non-performing" loans and advances using the "shortfall of security" method.

### Operating Leases

Rentals under operating leases are charged to administrative expenses on a straight line basis over the lease term.

### Incentives to Borrowers

Cashbacks and other incentives to borrowers are charged in the period in which they arise.

## 2. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
On loans fully secured on residential property	7,092	6,523
On other loans	1,578	1,319
On debt securities		
Interest and other income	-	-
On other liquid assets		
Interest and other income	2,193	2,207
	<u>10,863</u>	<u>10,049</u>

Interest receivable on 'other loans' includes £nil (2007: £11,303) in respect of loans advanced prior to 20 July 1998 to corporate bodies such as Housing Associations, which are fully secured on residential property. The classification adopted for such amounts is consistent with the balance sheet classification of the related loan in accordance with the Building Societies Act 1986 (as amended) (see Note 11).

## 3. INTEREST PAYABLE AND SIMILAR CHARGES

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
On shares held by individuals	6,707	6,467
On deposits and other borrowings	948	679
	<u>7,655</u>	<u>7,146</u>

## 4. OTHER OPERATING INCOME

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Rents receivable	8	11
Other	244	241
	<u>252</u>	<u>252</u>

## NOTES TO THE ACCOUNTS (continued)

### 5. ADMINISTRATIVE EXPENSES

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Staff costs (note 6)	897	846
Other expenses	1,030	821
Remuneration of auditors for audit work	24	15
Remuneration of auditors for non-audit work	1	1
	<u>1,952</u>	<u>1,683</u>

### 6. STAFF NUMBERS AND COSTS

The average number of persons employed by the Society during the year was as follows:-

	<b>2008</b>		<b>2007</b>	
	<b>Full-time</b>	<b>Part-time</b>	<b>Full-time</b>	<b>Part-time</b>
Head Office	13	3	10	4
Branch Offices	6	9	7	7
	<u>19</u>	<u>12</u>	<u>17</u>	<u>11</u>

The aggregate costs of these persons were as follows:

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	735	652
Social Security costs	74	68
Other pension costs	88	126
	<u>897</u>	<u>846</u>

## NOTES TO THE ACCOUNTS (continued)

### 7. DIRECTORS

a) Emoluments of the Society's directors from the Society are detailed below:

	Fees £000	Salaries £000	Benefits £000	Pension Contrib's £000	2008 Total £000
M.W. Willis (appointed Chairman 29 May 2008)	29	-	-	-	29
N.S. Terry (appointed Vice- Chairman 29 May 2008)	24	-	-	-	24
D.J. Holland	21	-	-	-	21
P.G. Marsden (Chief Executive)	-	98	1	9	108
J.W. Pigott (retired 31 December 2008)	21	-	-	-	21
R.J. Smith (resigned as Chairman May 2008, retired 31 December 2008)	25	-	-	-	25
H.H. Titcomb (appointed 29 May 2008)	19	-	-	-	19
K.M. Wilson (appointed 29 May 2008)	19	-	-	-	19
Total Emoluments 2008	<u>158</u>	<u>98</u>	<u>1</u>	<u>9</u>	<u>266</u>
Total Emoluments 2007	<u>115</u>	<u>105</u>	<u>4</u>	<u>16</u>	<u>240</u>

### b) Directors' loans and transactions:

At 31 December 2008 there was one outstanding mortgage loan granted in the ordinary course of business to Directors and connected persons totalling £280,111.

A register is maintained at the Head Office of the Society, under Section 68 of the Building Societies Act 1986, which shows details of all loans, transactions and arrangements with Directors and connected persons. A statement for the current financial year of the appropriate details contained in the register will be available for inspection at the Head Office for a period of 15 days up to, and including the date of the Annual General Meeting.

## NOTES TO THE ACCOUNTS (continued)

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
The tax charge for the year comprises -		
UK corporation tax at 28.5% (2007: 30%)	336	470
Deferred taxation (Note 20)	-	-
	<u>336</u>	<u>470</u>

The standard rate of tax for the year, based on the U.K. standard rate of corporation tax is 28.5%. The actual tax charge for the current and the previous year varies from the standard rate for the reasons set out in the following reconciliation.

#### Reconciliation of current year tax charge:

	<b>2008</b>	<b>2007</b>
	<b>28.5%</b>	<b>30%</b>
	<b>£000</b>	<b>£000</b>
Corporation Tax Rate applied	28.5%	30%
Profit on ordinary activities before taxation	1,240	1,552
Tax on profit on ordinary activities at standard rate	354	466
<b>Factors affecting the tax charge for the year</b>		
Expenses not deductible for taxation purposes	7	4
Capital allowances less than/(in excess of) depreciation	(19)	(2)
Other timing differences	-	2
Other adjustments - marginal relief	(6)	-
Total actual amount of current year tax	<u>336</u>	<u>470</u>

### 9. LOANS AND ADVANCES TO CREDIT INSTITUTIONS

Loans and advances to credit institutions have remaining maturities as follows:

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Accrued interest	213	257
Repayable on demand	15,389	5,790
Other loans and advances by residual maturity repayable:		
In not more than three months	30,023	32,810
In more than three months but not more than one year	-	-
	<u>45,625</u>	<u>38,857</u>

## NOTES TO THE ACCOUNTS (continued)

### 10. OTHER LIQUID ASSETS

Other liquid assets have remaining maturities as follows:

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Accrued interest	-	-
Repayable on demand		
Repayable in not more than three months	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

### 11. LOANS AND ADVANCES TO CUSTOMERS

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Loans fully secured on residential property	118,420	109,964
Other loans:		
Loans fully secured on land	11,129	8,715
	<hr/>	<hr/>
	129,549	118,679
	<hr/> <hr/>	<hr/> <hr/>

Other loans fully secured on land include £nil (2007: £nil) of loans which are fully secured on residential property and which were made to corporate bodies such as Housing Associations, prior to 20 July 1998, the date the Society adopted the powers of the Building Societies Act 1997. The classification of these assets is not consistent with the treatment of similar loans made after 20 July 1998, which are included in 'Loans fully secured on residential property' but is necessary to comply with the requirements of the Building Societies Act 1986 (as amended).

### **Maturity Analysis**

The remaining maturity of loans and advances to customers from the date of the balance sheet is as follows:

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Repayable on demand	31	1,052
Other loans and advances by residual maturity repayable:		
In not more than three months	3,214	2,881
In more than three months but not more than one year	8,251	4,965
In more than one year but not more than five years	19,644	18,049
In more than five years	98,409	91,732
	<hr/>	<hr/>
	129,549	118,679
	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE ACCOUNTS (continued)

### **12. PROVISIONS FOR LOSSES**

	<b>Loans fully secured on residential property £000</b>	<b>Other loans fully secured on land £000</b>	<b>Other assets £000</b>	<b>Total £000</b>
At 1 January 2008	-	-	-	-
Amounts written back during the year	(95)	-	-	(95)
Charge for the year	95	-	-	95
At 31 December 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

These provisions have been deducted from the appropriate asset values shown in the balance sheet.

### **13. IMPAIRMENT LOSSES AND PROVISION FOR LEVIES**

	<b>2008 £000</b>	<b>2007 £000</b>
Impairment losses on loans and advances to customers (note 12)	95	(8)
Provision for Financial Services Compensation Scheme levies (note 24)	175	-
	<u>270</u>	<u>(8)</u>

## NOTES TO THE ACCOUNTS (continued)

### 14. TANGIBLE FIXED ASSETS

	Freehold Land and buildings £000	Short leasehold buildings £000	Office and computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or Valuation</b>					
At 1 January 2008	611	35	811	17	1,474
Additions	-	126	30	-	156
Disposals	-	(3)	-	-	(3)
At 31 December 2008	<u>611</u>	<u>158</u>	<u>841</u>	<u>17</u>	<u>1,627</u>
<b>Accumulated depreciation</b>					
At 1 January 2008	207	34	728	7	976
Charged in year	12	1	35	3	51
Disposals	-	(2)	-	-	(2)
At 31 December 2008	<u>219</u>	<u>33</u>	<u>763</u>	<u>10</u>	<u>1,025</u>
<b>Net book value</b>					
At 31 December 2008	<u>392</u>	<u>125</u>	<u>78</u>	<u>7</u>	<u>602</u>
At 31 December 2007	<u>404</u>	<u>1</u>	<u>83</u>	<u>10</u>	<u>498</u>

#### Freehold land and buildings are analysed as follows:

	2008 £000	2007 £000
Open market valuations as at 31 December 1998	<u>514</u>	<u>514</u>
Historical cost of revalued assets	<u>237</u>	<u>237</u>

All leasehold property is shown at cost.

Freehold land and buildings were revalued during 1998 on the basis of open market value for existing use with vacant possession. The valuations were carried out by a member of the Royal Institution of Chartered Surveyors instructed by the Society.

## NOTES TO THE ACCOUNTS (continued)

### 15. OTHER ASSETS

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Due within one year	154	84
Due after one year	87	87
	<u>241</u>	<u>171</u>

### 16. SHARES

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Held by individuals	<u>147,473</u>	<u>132,795</u>

**Shares are repayable from the balance sheet date in the ordinary course of business as follows:**

Accrued interest	1,778	1,767
Repayable on demand	122,426	109,483
Other shares by residual maturity repayable:		
In not more than three months	288	201
In more than three months but not more than one year	401	441
In more than one year but not more than five years	2,370	1,905
In more than five years	20,210	18,998
	<u>147,473</u>	<u>132,795</u>

### 17. AMOUNTS OWED TO CREDIT INSTITUTIONS

**Amounts owed to credit institutions are repayable from the balance sheet date in the ordinary course of business as follows:**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Accrued interest	-	-
On demand	-	-
Other amounts owed to credit institutions by residual maturity repayable:		
In not more than three months	-	-
In more than three months, but not more than one year	-	-
	<u>-</u>	<u>-</u>

## NOTES TO THE ACCOUNTS (continued)

### **18. AMOUNTS OWED TO OTHER CUSTOMERS**

Amounts owed to other customers are repayable from the balance sheet date in the ordinary course of business as follows:

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Accrued interest	163	63
On demand	775	524
Other amounts owed to other customers by residual maturity repayable:		
In not more than three months	10,728	9,595
In more than three months but not more than one year	4,023	3,524
	<u>15,689</u>	<u>13,706</u>

### **19. OTHER LIABILITIES**

Other liabilities are all due within one year and comprise:

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Corporation Tax	336	470
Income Tax	314	334
Other creditors	358	121
	<u>1,008</u>	<u>925</u>

Other creditors includes £48,837 (2007: £32,081) in respect of provisions for potential endowment mis-selling claims.

### **20. PROVISIONS FOR LIABILITIES AND CHARGES**

No provision for deferred taxation has been made in relation to the surplus on the revaluation of freehold land and buildings included in the revaluation reserve. If the freehold land and buildings were disposed of at the balance sheet amounts, it is estimated that the tax liability would amount to approximately nil (2007: Nil).

### **21. GENERAL RESERVE**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
At 1 January	10,445	9,363
Profit for financial year	904	1,082
At 31 December	<u>11,349</u>	<u>10,445</u>

### **22. REVALUATION RESERVE**

	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
At 1 January and 31 December	<u>365</u>	<u>365</u>

## NOTES TO THE ACCOUNTS (continued)

### 23. NOTES TO THE CASH FLOW STATEMENT

	<b>2008</b> <b>£000</b>	<b>2007</b> <b>£000</b>
<b>a. Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(156)	(52)
Sale of tangible fixed assets	1	8
	<u>(155)</u>	<u>(44)</u>

#### b. Analysis of the balances of cash as shown in the Balance Sheet

	<b>2007</b> <b>£000</b>	<b>Movement</b> <b>£000</b>	<b>2008</b> <b>£000</b>
Cash in hand and balances with the Bank of England	31	11	42
Loans and advances to credit institutions repayable on demand	5,790	9,598	15,388
	<u>5,821</u>	<u>9,609</u>	<u>15,430</u>

	<b>2006</b> <b>£000</b>	<b>Movement</b> <b>£000</b>	<b>2007</b> <b>£000</b>
Cash in hand and balances with the Bank of England	34	(3)	31
Loans and advances to credit institutions repayable on demand	7,426	(1,636)	5,790
	<u>7,460</u>	<u>(1,639)</u>	<u>5,821</u>

## NOTES TO THE ACCOUNTS (continued)

### **24. FINANCIAL COMMITMENTS**

#### **Financial Services Compensation Scheme**

Based on its share of protected deposits, the Society pays levies to the Financial Services Compensation Scheme (FSCS) to enable the FSCS to meet claims against it. In September 2008 a claim was triggered against the FSCS by the transfer of Bradford and Bingley's retail deposit business to Abbey. In October 2008 further claims were triggered against the FSCS by the transfer of the deposit business of Heritable Bank (a subsidiary of Landsbanki hf) and the internet deposit business of Kaupthing Singer and Friedlander (Kaupthing Edge) to ING Direct. The FSCS is also paying compensation directly to the UK depositors of the internet banking subsidiary of Landsbanki hf (Icesave) and to depositors of London Scottish Bank plc.

The FSCS has met, or will meet, the claims by way of loans received from the Bank of England which have or will be replaced by loans from H M Treasury. The FSCS has, in turn, acquired rights in the realisation of the assets of the banks. The FSCS is liable to pay interest on these loans and may have a further liability if there are insufficient funds from the realisation of the assets of the banks to fully repay these loans.

The Society has not been directly notified of the levies payable as a result of the above claims. However, the FSCS has announced that for three years it expects to make levies on deposit takers to cover the interest on the loans referred to above. This interest will be capped in the first year at no more than £1 billion.

The levy for the first of these three years, to 31 March 2009, will be based on deposit balances at 31 December 2007. The levy for the second of these three years, to 31 March 2010, will be based on deposit balances at 31 December 2008. These levies can be estimated with reasonable accuracy and so, as shown in note 13, provision has been made for this first instalment of the levy which is expected to be £175,446 and is payable in September 2009. On currently available information the total of the levies for the Society over the three year period could be up to £284,000.

### **25. LEASES**

As at 31 December 2008, the Society had annual commitments in respect of operating leases for land and buildings as follows:

	2008 £000	2007 £000
Operating leases that expire:		
- within the next year	-	-
- within the second to fifth years inclusive	-	-
- after five years	92	-
	<hr/>	<hr/>
	92	-
	<hr/> <hr/>	<hr/> <hr/>

### **26. FINANCIAL INSTRUMENTS**

The Society is a retailer of financial instruments in the form of mortgage and savings products, and also uses wholesale financial instruments to invest in liquid assets and to raise funds from wholesale money markets in support of its retail savings operations. These instruments also allow it to manage the risks arising from these business markets.

The Society has a formal structure for managing risk, including formal risk policies, risk limits, reporting structures, mandates and other control procedures. This structure is reviewed regularly by the Board of Directors.

Instruments commonly used for risk management purposes include derivative financial instruments (“derivatives”), which are contracts or agreements whose value is derived from one or more underlying price, rate or index inherent in the contract or agreement, such as interest rates.

The Society does not use any derivative financial instruments, since the Society does not currently offer any capped or fixed rate mortgage or savings products that would give rise to a balance sheet exposure. The Society does not undertake any financial instruments for trading or speculative purposes.

#### **Risk Management**

The main financial risks arising from the Society’s activities are credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks, and these are summarised below.

##### Credit Risk

Credit risk is the risk of loss due to uncertainty about a counterparty’s ability to meet its obligations when they fall due. All loan applications are assessed with reference to the Society’s lending policy. Our approach to lending is not to adopt a tick-box attitude. Rather, we ensure that we understand the unique position of each application we receive and the risks that are inherent in each case. Changes to our lending policy and approach to lending are approved by the Board.

##### Liquidity Risk

The Society’s policy is to maintain sufficient funds in a liquid form at all times to ensure that the Society can cover all fluctuations in funding, retain full public confidence in the solvency of the Society and to enable the Society to meet its financial obligations. This is achieved through maintaining a prudent level of liquid assets, primarily through management control of the growth of the business and also through a combination of wholesale funding facilities and undrawn committed borrowing facilities to provide flexibility in the management of liquidity.

##### Interest Rate Risk

The Society is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or, if earlier, the dates on which the instruments mature. The Society manages this exposure continually by matching the maturity dates of assets and liabilities.

## NOTES TO THE ACCOUNTS (continued)

### 24. FINANCIAL INSTRUMENTS (continued)

The tables below summarise these repricing mismatches as at 31 December 2008 and 31 December 2007. Items are allocated to time bands by reference to the earlier of the next interest rate repricing date and the maturity date.

	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	More than five years	Non-interest bearing	Total
As at 31 December 2008	£000	£000	£000	£000	£000	£000	£000
<b>Assets</b>							
Liquid assets	45,625	-	-	-	-	42	45,667
Loans and advances to customers	129,549	-	-	-	-	-	129,549
Tangible fixed assets	-	-	-	-	-	602	602
Other assets	-	-	-	-	-	241	241
<b>Total assets</b>	<b>175,174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>885</b>	<b>176,059</b>
<b>Liabilities</b>							
Shares	147,473	-	-	-	-	-	147,473
Amounts owed to Credit institutions and other customers	11,666	2,637	1,386	-	-	-	15,689
Other liabilities	-	-	-	-	-	1,183	1,183
Reserves	-	-	-	-	-	11,714	11,714
<b>Total liabilities</b>	<b>159,139</b>	<b>2,637</b>	<b>1,386</b>	<b>-</b>	<b>-</b>	<b>12,897</b>	<b>176,059</b>
Interest rate sensitivity gap	16,035	(2,637)	(1,386)	-	-	(12,012)	-

## NOTES TO THE ACCOUNTS (continued)

### 24. FINANCIAL INSTRUMENTS (continued)

	Not more than three months	More than three months but not more than six months	More than six months but not more than one year	More than one year but not more than five years	More than five years	Non-interest bearing	Total
As at 31 December 2007	£000	£000	£000	£000	£000	£000	£000
<b>Assets</b>							
Liquid assets	38,857	-	-	-	-	31	38,888
Loans and advances to customers	118,679	-	-	-	-	-	118,679
Tangible fixed assets	-	-	-	-	-	498	498
Other assets	-	-	-	-	-	171	171
<b>Total assets</b>	<b>157,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>158,236</b>
<b>Liabilities</b>							
Shares	132,795	-	-	-	-	-	132,795
Amounts owed to credit institutions and other customers	11,731	1,975	-	-	-	-	13,706
Other liabilities	-	-	-	-	-	925	925
Reserves	-	-	-	-	-	10,810	10,810
<b>Total liabilities</b>	<b>144,526</b>	<b>1,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,735</b>	<b>158,236</b>
Interest rate sensitivity gap	13,010	(1,975)	-	-	-	(11,035)	-

#### Fair values of financial assets and financial liabilities

All of the Society's financial assets and financial liabilities are in the form of mortgages, shares and deposits with banks or other credit institutions and, as such, are not in a publicly traded form. These items are therefore stated at their book value as adjusted for any accrued interest.

**1. Statutory Percentages**

	<b>31.12.2008</b> %	<b>Statutory</b> <b>Limit</b>
Proportion of business assets not in the form of loans fully secured on residential property ("The Lending Limit")	8.76%	25%
Proportion of shares, deposits and debt securities not in the form of shares held by individuals ("The Funding Limit")	9.62%	50%

The above percentages have been calculated in accordance with the provisions of the Building Societies Act 1986 as amended by the Building Societies Act 1997.

The Lending Limit measures the proportion of business assets not in the form of loans fully secured on residential property and is calculated as  $(X - Y) / X$  where:

X = business assets, being the total assets of the Society plus provisions for bad and doubtful debts less liquid assets, tangible fixed assets as shown in the Society's Accounts.

Y = the principal of, and interest accrued on, loans owed to the Society which are fully secured on residential property as at 31 December 2008.

The Funding Limit measures the proportion of shares and borrowings not in the form of shares held by individuals and is calculated as  $(X - Y) / X$  where:

X = shares and borrowings, being the aggregate of

- i) the principal value of, and interest accrued on, shares in the Society;
- ii) the principal value of, and interest accrued on, sums deposited with the Society;  
and
- iii) the principal value of, and interest accrued under, bills of exchange, instruments or agreements creating or acknowledging indebtedness and accepted, made, issued or entered into by the Society less any amounts qualifying as own funds.

Y = the principal value of, and interest accrued on, shares in the Society held by individuals otherwise than as bare trustees (or in Scotland, simple trustees) for bodies corporate or for persons who include bodies corporate as at 31 December 2008.

The statutory limits are as laid down under the Building Societies Act 1986 as amended by the Building Societies Act 1997 and ensure that the principal purpose of a building society is that of making loans which are secured on residential property and are funded substantially by its members.

**2. Other Percentages**

	<b>2008</b>	<b>2007</b>
As percentage of shares and borrowings:		
Gross capital	7.18%	7.38%
Free capital	6.81%	7.04%
Liquid Assets	27.99%	26.54%
Profit for the financial year as a percentage of mean total assets	0.54%	0.71%
Management expenses as a percentage of mean total assets	1.20%	1.13%

The above percentages have been prepared from the Society's accounts and in particular:

- 'Shares and borrowings' represent the total of shares, amounts owed to credit institutions, amounts owed to other customers and debt securities in issue.
- 'Gross capital' represents the aggregate of general reserve and revaluation reserve.
- 'Free capital' represents the aggregate of gross capital and general loss provisions for bad and doubtful debts less tangible fixed assets.
- 'Mean total assets' represent the amount produced by halving the aggregate of total assets at the beginning and end of the financial year.
- 'Liquid assets' represent the total of cash in hand and balances with the Bank of England, loans and advances to credit institutions and other liquid assets.
- 'Management expenses' represent the aggregate of administrative expenses, depreciation and amortisation.

**3. Information relating to the Directors, Chief Executive and other officers at 31 December 2008**

	<b>Director's Name</b>	<b>Date of Appointment</b>	<b>Occupation</b>	<b>Other Directorships</b>
1	M.W. Willis (Chairman) (10.05.1947)	20.05.1993 Member of Mortgage Committee	Chartered Accountant	Page 32
1	N.S. Terry (Vice Chairman) (10.02.1951)	29.05.1996 Member of the Audit & Mortgage Committees	Chairman Food Company	Page 32
1	D.J. Holland (04.04.1941)	18.12.1997 Member of Audit, Remuneration & Mortgage Committees	Chairman House Building Group	Page 32
2	P.G. Marsden (17.09.1960)	23.05.2002 Member of Management & Mortgage Committees	Building Society Executive	Page 32
1	H.H. Titcomb (21.12.1959)	29.05.2008 Member of the Audit & Mortgage Committees	Bank Chief Executive	Page 32
1	K.M. Wilson (23.05.1964)	29.05.2008 Member of the Remuneration & Mortgage Committees	Non-Executive Director	Page 32

1 Non-Executive Director

2 Director, Chief Executive & Secretary

\* Directors' dates of birth are shown in brackets.

Documents may be served on the above named Directors: Ref. "Harpenden Building Society", c/o, Neves Solicitors at 2 Sun Lane, Harpenden, Hertfordshire AL5 4ET

Mr. M. Willis, Mr. D. Holland and Mr. N. Terry entered into Service Contracts dated 8 April, 2008. Mr. H. Titcomb and Mrs. K. Wilson entered service contracts upon their appointment dated 29 May, 2008. The contracts are terminable by the Society or by the individual on three months' notice, pursuant to the Society's rules.

Mr. P. Marsden is employed on a Service Contract dated 8 April, 2008, terminable by the Society on twelve months' notice or by the individual on six months' notice.

<b>D.J. HOLLAND</b>	Orchid Developments Group Limited Telford Homes PLC
<b>P.G. MARSDEN</b>	Mutual Vision Technologies Limited Top Deck Business Services Limited
<b>N.S. TERRY</b>	European Supplies Logistics Limited Penguin Foods U.K. Limited The Princess Helena College
<b>H.H. TITCOMB</b>	Ansbacher Group Holdings Limited Sàrl Ansbacher & Co Limited Ansbacher UK Group Limited Ansbacher (Bahamas) Limited Ansbacher (Channel Islands) Limited Ansbacher Overseas Group Limited Ansbacher Trust Group Services Limited Ansbacher UK Group Limited QNBIHL International Holdings Limited Sàrl The Ansbacher Pension Trust Limited
<b>M.W. WILLIS</b>	Adept Scientific Inc Adept Scientific A/S Adept Scientific GmbH Adept Scientific plc Demand Limited Greyfriars Properties Limited Livecyte Limited Software for Science Limited M.J. Taylor-King Limited Tyringham Foundation Limited Business Marketing Online Limited
<b>K.M. WILSON</b>	None



**Mixed Sources**

Product group from well-managed forests, controlled sources and recycled wood or fibre

Cert no. SA-COC-001831  
www.fsc.org

© 1996 Forest Stewardship Council

**Head Office**

---

Mardall House, 9-11 Vaughan Road, Harpenden  
Herts AL5 4HU

Tel: 01582 765411 Fax: 01582 462673

Email: [enquiries@harpendenbs.co.uk](mailto:enquiries@harpendenbs.co.uk)

**BRANCHES:**

**Harpenden**

---

Aberdeen House, 14-16 Station Road, Harpenden  
Herts AL5 4SE

Tel: 01582 344204 Fax: 01582 766967

**Radlett**

---

341 Watling Street, Radlett, Herts WD7 7LB

Tel: 01923 854457 Fax: 01923 855145

**Leighton Buzzard**

---

22 Market Square, Leighton Buzzard, Beds LU7 1HE

Tel: 01525 852525 Fax: 01525 379389



[www.harpendenbs.co.uk](http://www.harpendenbs.co.uk)