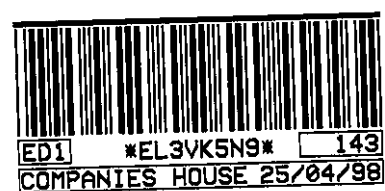


Registered Number 2132953

**HALIFAX TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1997**



HALIFAX TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
CONTENTS

	Page
Directors and company information	2
Directors' Report	3 - 4
Balance Sheet	5
Notes to the Financial Statements	6

HALIFAX TRUST LIMITED

DIRECTORS AND COMPANY INFORMATION

DIRECTORS

M S Lodge
D J McPherson

SECRETARY

M S Lodge

REGISTERED OFFICE

Trinity Road
HALIFAX
HX1 2RG

HALIFAX TRUST LIMITED

DIRECTORS' REPORT

The directors present their Report and Financial Statements for the year ended 31 December 1997.

PRINCIPAL ACTIVITY, RESULTS AND DIVIDEND

The company has not traded during the year and has therefore received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss. The directors do not recommend the payment of a dividend.

Following the conversion of Halifax Building Society to a public limited company on 2 June 1997, ultimate ownership was transferred from Halifax Building Society to Halifax plc.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were as follows:-

M S Lodge
D J McPherson

On 17 December 1997 Mr M S Lodge transferred his two shares in the company to Halifax plc. No director at the year end had any interest in the share capital of the company or any group undertaking other than the holding company and no rights to subscribe for such interests were granted.

The interests of the directors in the shares of the holding company, Halifax plc, were as follows:-

	At 31 December 1997	At 1 January 1997
M S Lodge (as Trustee)	9,393,346	Nil
(beneficial)	640	
D J McPherson	854	Nil

The directors hold options in the shares of Halifax plc, under the terms of the Halifax Sharesave Scheme:-

	Number of Options Granted in Year
M S Lodge	336
D J McPherson	594

AUDITORS

Having satisfied the provisions of Section 250 of the Companies Act 1985 relating to dormant companies the company has not appointed auditors.

By order of the Board

A handwritten signature in black ink, appearing to read 'M S Lodge', with a long horizontal flourish extending to the right.

M S Lodge
SECRETARY

Trinity Road
HALIFAX
HX1 2RG

20 February 1998

HALIFAX TRUST LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1997

	Note	1997 £	1996 £
CURRENT ASSETS		<u>2</u>	<u>2</u>
Debtors: amounts owed by parent undertaking			
CAPITAL AND RESERVES	2	<u>2</u>	<u>2</u>
Called up share capital			

The company was dormant throughout the year.

These Financial Statements were approved by the Board of Directors on 20 February 1998 and were signed on its behalf by:



M S LODGE

DIRECTOR

The notes on page 6 form part of these Financial Statements

HALIFAX TRUST LIMITED

PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial period the company received no income and incurred no expenditure and consequently there is neither a profit nor a loss to report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

These Financial Statements have been prepared in accordance with applicable accounting standards and have been drawn up under the historical cost convention.

2. CALLED UP SHARE CAPITAL

	1997	1996
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

3. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of Halifax plc, which is registered in England and Wales and operates in the United Kingdom. Copies of the Financial Statements of Halifax plc can be obtained from Trinity Road, Halifax, West Yorkshire, HX1 2RG, which is its principal place of business.