

DIRECTOR'S REPORT

The Director presents its Report and Accounts for the year ended 31 December 2004. During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, the company made neither a profit nor a loss during the year.

Activities

The Company has been dormant during the year and will continue to remain dormant for the foreseeable future.

Directors

The following were directors of the Company during the year :


Alliance & Leicester (Holdings) Limited

The Director had no beneficial interests in shares, debentures or options of either the Company or Alliance and Leicester plc, the beneficial interests of the Directors in ordinary shares of it's subsidiary undertakings can be found in the directors report for Alliance & Leicester (Holdings) Limited. (or any of its subsidiary undertakings during the year).

Corporate Governance

The Company's policies on Corporate Governance are consistent with those established at Group level and referred to in the Group Report and Accounts for 2004 of Alliance & Leicester plc.

APPROVED BY THE BOARD
ON 21 OCTOBER 2005 AND
SIGNED ON THEIR BEHALF BY:



Alliance Limited
Company Secretary



BALANCE SHEET

	<u>Notes</u>	<u>£</u> 2004	<u>£</u> 2003
<u>CURRENT ASSETS</u>			
Debtors - Amount due from Group Undertakings		2	2
		<hr/>	<hr/>
Net Assets		2	2
		<hr/>	<hr/>
<u>CAPITAL and RESERVES</u>			
Called up share Capital	4	2	2
		<hr/>	<hr/>
Equity Shareholders funds		2	2
		<hr/>	<hr/>

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during these years the company made neither a profit nor a loss.

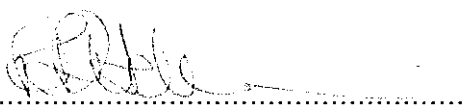
For the year ended 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2)

The directors acknowledge their responsibility for:

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

APPROVED BY THE BOARD
ON 21 OCTOBER 2005 AND
SIGNED ON THEIR BEHALF BY:


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Richard Hawker for and on behalf of
Alliance & Leicester (Holdings) Limited
Director

The attached notes form part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

2. EXPENSES

The company has had no accounting transactions and made neither a profit nor a loss in the financial year and the preceding year. The expenses of the company, have been borne by Alliance & Leicester plc. There are no employees so no remuneration has been paid to directors and employees. Accordingly, no profit and loss account is presented. There have been no other recognised gains or losses or movements in shareholders' funds in any year

3. DIRECTORS' EMOLUMENTS

The Director received no emoluments in respect of qualifying services during the year (2003: £Nil)

4. SHARE CAPITAL

	2004	2003
Authorised:	£	£
100 Ordinary Shares of £1 each	100	100
	===	===
Issued and fully paid:		
2 Ordinary Shares of £1 each	2	2
	===	===

5. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Alliance & Leicester plc, the company is exempt from the requirement of FRS8 to disclose details of transactions and balances within the group headed by that company.

6. ULTIMATE PARENT

The ultimate parent undertaking and controlling entity is Alliance & Leicester Plc. Group Accounts for the parent company for 2004 are drawn up and available from its Registered Office at:

Carlton Park, Narborough, Leicester LE19 0AL