

ALLIANCE & LEICESTER PRINT SERVICES LIMITED

Company Number 3805760

Report and Accounts
For the year ended 31 December 2006



Alliance & Leicester Print Services Limited

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Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2006

The directors present their Annual Report, together with the audited financial statements for the year ended 31 December 2006

Principal Activities & Business Review

The principal activity of the Company is to provide printing services to other companies in the Alliance & Leicester Group

The directors are confident that the Company is in a good position to take advantage of any new opportunities that may arise, and are satisfied with the adequacy of available resources to continue in business for the foreseeable future and to meet present and projected activities

The Alliance & Leicester Group manages its operations on a divisional basis. For this reason the company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business

Principle Risks and Uncertainties

As a result of its normal business activities, the Company is exposed to a variety of risks, the most significant of which are operational risk, credit risk, market risk and liquidity risk. These risks are managed on a group basis by Alliance & Leicester plc, and details are disclosed in Note 2 of the Group Report and Accounts for 2006. The Group has an established number of committees and policies to manage these risks. These are set out in the Statement of Corporate Governance and Note 2, contained within the Group Report & Accounts, on pages 34 to 37 and pages 58 to 59 respectively

Results and Dividend

The profit on ordinary activities before tax for the year ended 31 December 2006 was £2,828,959 (2005 £2,448,614) which, after tax, resulted in a profit of £1,980,271 (2005 £1,714,030)

On 22 December 2006 the Company paid a dividend of £2,200,000. The directors do not propose a further dividend, leaving the retained loss transferred to reserves at £219,729 (2005 £1,385,970 loss)

The results for the year under review are as set out in the Profit and Loss Account on page 9, together with the supporting notes to the accounts

Directors and Directors' Interests

The following persons were directors of the Company during the year

Mr G Wilkinson	
Mr G R Evans	
Mr C G Love	
Mrs J M Robinson	(appointed on 19 2 07)
Mrs L L Vernon	(appointed on 19 2 07)
Mr T S Bartlett	(appointed on 19 2 07 as alternate to Mrs J M Robinson)
Mr M P Burrows	(appointed on 16 5 06 as alternate to Mr G Wilkinson)
Mr B Fletcher	(appointed on 31 3 06 as alternate to Mr G R Evans)
Mrs N Kaur	(appointed on 19 2 07 as alternate to Mr C G Love & Mrs L L Vernon)
Mr S Leonard	(resigned on 16 2 07)
Mrs H Riley	(resigned on 31 3 06)
Mrs N J Veall	(resigned on 16 5 06)

Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2006

None of the directors hold any beneficial interests in shares or debentures of the Company. The beneficial interests of the directors in Ordinary shares of the parent company, Alliance & Leicester plc, were

Directors	Fully Paid Shares of 50p each	
	At 1 st January 2006 Or date of appointment if later	At 31 st December 2006
M P Burrows	1,401	2,323
G R Evans	1,335	1,430
B Fletcher	1,967	1,708
S Leonard	2,485	3,073
C G Love	306	306
G Wilkinson	1,395	1,571

Options to Acquire Shares

In addition, the following directors have options to subscribe for such shares granted under the terms of Alliance & Leicester Share Option Schemes

Directors	Number of Options During the Year			At 31 12 06	Exercise price £	Market price at date of exercise £	Exercise period
	At 01 01 06	Granted	Exercised				
M P Burrows	1,557		(1,557)	Nil	£7 54½ #	£11 49	26/02/06-26/02/13
	815			815	£8 79½ #		01/09/06-01/09/13
	627			627	£8 79½ ~		01/09/06-01/09/13
	1,420			1,420	£8 60 ~		03/03/07-03/03/14
	1,655			1,655	£8 34 ~		29/07/07-29/07/14
	1,635			1,635	£8 71½ ~		07/04/08-07/04/15
	1,746			1,746	£8 81 ~		08/08/08-08/08/15
	1,342		(1,342)	Nil	£6 89 §	£11 24	01/11/06-01/05/07
		1,150		1,150	£8 13 §		01/11/09-01/05/10
G R Evans	1 489		(1,489)	Nil	£7 95 #	£10 61	06/08/05-06/08/12
	1 569		(1 569)	Nil	£7 54½ #	£10 61	26/02/06-26/02/13
	719			719	£8 79½ #		01/09/06-01/09/13
	735			735	£8 79½ ~		01/09/06-01/09/13
	1,432			1,432	£8 60 ~		03/03/07-03/03/14
	1,602			1,602	£8 34 ~		29/07/07-29/07/14
	1,591			1,591	£8 71½ ~		07/04/08-06/04/15
	1,668			1,668	£8 81 ~		08/08/08-07/08/15
B Fletcher	2,618			2,618	£6 32 §		01/11/07-01/05/08
S Leonard	7,620		(7,620)	Nil	£7 54½ ~	£11 19	26/02/06-26/02/13
	7,674			7,674	£8 79½ ~		01/09/06-01/09/13
	7,267			7,267	£8 60 ~		03/03/07-03/03/14
	8,393			8,393	£8 34 ~		29/07/07-29/07/14
	7,601			7,601	£8 71½ ~		07/04/08-06/04/15
	3,405			3,405	£8 81 #		08/08/08-07/08/15
	4,739			4,739	£8 81 ~		08/08/08-07/08/15
		6,534		6,534	£10 56 ~		09/03/09-08/03/16
		7,266		7,266	£9 95 ~		04/08/09-03/08/16
C G Love		Nil		Nil	Nil		

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Directors' Report for the year ended 31 December 2006 (continued)

Directors	Number of Options During the Year			At 31 12 06	Exercise price £	Market price at date of exercise £	Exercise period
	At 01 01 06	Granted	Exercised				
G Wilkinson	193			193	£9 00½ #		06/03/01-06/03/08
	8,283		(8,283)	Nil	£7 54½ ~	£11 18	26/02/06-26/02/13
	7,674		(7,674)	Nil	£8 79½ ~	£10 42	01/09/06-01/09/13
	7,558			7,558	£8 60 ~		03/03/07-03/03/14
	8,872			8,872	£8 34 ~		29/07/07-29/07/14
	3,242			3,242	£8 71½ #		07/04/08-06/04/15
	4,732			4,732	£8 71½ ~		07/04/08-06/04/15
	9 024			9,024	£8 81 ~		08/08/08-07/08/15
		7,054		7,054	£10 56 ~		09/03/09-08/03/16
		7,850		7,850	£9 95 ~		04/08/09-03/08/16
		1,980		1,980	£8 13 §		01/11/11-01/05/12

§ Options granted under the Alliance & Leicester ShareSave Scheme

Options granted under the Alliance & Leicester Approved Company Share Option Scheme

~ Options granted under the Alliance & Leicester Unapproved Company Share Option Scheme

Bonus Awards

The following table shows the directors' interests in deferred and matching share options awarded under the deferred bonus scheme

Executive director	Bonus year		Value of award £	Market value at date of grant £	No of shares under option	Exercise price £	Exercise period
M P Burrows	2006	Deferred Shares	4,065 60	10 56	385	Nil	09/03/09-08/03/13
	2006	Matching Shares	4,065 60	10 56	385	Nil	09/03/09-08/03/13
G R Evans	2006	Deferred Shares	3,136 32	10 56	297	Nil	09/03/09-08/03/13
	2006	Matching Shares	3,136 32	10 56	297	Nil	09/03/09-08/03/13
S Leonard (i)	2003	Deferred Shares	Nil	7 545	Nil	Nil	26/02/06-26/02/10
	2003	Matching Shares	Nil	7 545	Nil	Nil	26/02/06-26/02/10
	2004	Deferred Shares	23,994 00	8 60	2,790	Nil	03/03/07-03/03/11
	2004	Matching Shares	23,994 00	8 60	2,790	Nil	03/03/07-03/03/11
	2005	Deferred Shares	14,998 51	8 715	1,721	Nil	07/04/08-06/04/12
	2005	Matching Shares	14,998 51	8 715	1,721	Nil	07/04/08-06/04/12
	2006	Deferred Shares	42,493 44	10 56	4,024	Nil	09/03/09-08/03/13
	2006	Matching Shares	42,493 44	10 56	4,024	Nil	09/03/09-08/03/13
G Wilkinson (ii)	2003	Deferred Shares	Nil	7 545	Nil	Nil	26/02/06-26/02/10
	2003	Matching Shares	Nil	7 545	Nil	Nil	26/02/06-26/02/10
	2004	Deferred Shares	24,991 60	8 60	2,906	Nil	03/03/07-03/03/11
	2004	Matching Shares	24 991 60	8 60	2,906	Nil	03/03/07-03/03/11
	2005	Deferred Shares	17,499 72	8 715	2,008	Nil	07/04/08-06/04/12
	2005	Matching Shares	17,499 72	8 715	2,008	Nil	07/04/08-06/04/12
	2006	Deferred Shares	45,999 36	10 56	4,356	Nil	09/03/09-08/03/13
	2006	Matching Shares	45,999 36	10 56	4,356	Nil	09/03/09-08/03/13

Neither the matching or deferred share options granted are subject to a performance objective

Notes

(i) S Leonard exercised his 2003 Matching and Deferred bonus options on 27/02/06 at a market price of £11 19

(ii) G Wilkinson exercised his 2003 Matching and Deferred bonus options on 27/02/06 at a market price of £11 19

Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2006 (continued)

Restricted Share Plan

The following table shows the directors' interests in the Restricted Share Plan

Executive Director	Bonus year	Value of award £	Market value at date of grant £	No of shares under option	Exercise price £	Exercise period
M P Burrows	2006	Nil	9 95	658	Nil	04/08/09 – 04/08/11
G R Evans	2006	Nil	9 95	293	Nil	04/08/09 – 04/08/11

Options granted under the Restricted Share Plan are not subject to a performance objective

Performance Share Plan

The following table shows the directors' interests in the Alliance & Leicester Long Term Incentive Plan

Director	Award Date	Awards held at 1/1/06	Awards Granted during the year	Vested during the year	Lapsed during the year	Awards held at 31/12/06	End of period when qualifying conditions must be met
S Leonard	09/03/06	-	11,121##	-	-	11,121##	31/12/08
G Wilkinson	09/03/06	-	12,007##	-	-	12,007##	31/12/08

Grants made under the Performance Share Plan The conditions attached to these awards are set out below

Performance Share Plan

The first award under the Performance Share Plan ("Plan") was made to the directors in 2006. The annual award under the Plan will normally be over shares to the value of 100% of salary, with the Alliance & Leicester plc Remuneration Committee retaining discretionary flexibility to adjust this level up or down, having regard to the performance of the business and the individual. Any adjustment is likely to be in the range of plus or minus 25% of salary with an absolute maximum annual award of 200% of annual salary. The award in 2006 was 100% of salary in each case. The performance period is 3 years with no re-testing. (Three Year Period means for each Option the period of three accounting reference periods commencing on the accounting reference date immediately prior to the Date of Grant). The performance test is in two parts

- The vesting of 50% of the award depends on the performance of the Company's TSR relative to a peer group of retail banks which consists of the following

Allied Irish Banks plc	Bank of Ireland plc
Barclays Bank plc	Bradford & Bingley plc
HBOS plc	HSBC plc
Lloyds TSB Group plc	Northern Rock plc
Standard Chartered plc	The Royal Bank of Scotland Group plc

- 30% of this part of the award is payable at median performance and maximum vesting is for achieving upper quartile performance, with straight-line interpolation between these points
- The vesting of the other 50% of the award depends on the Company's adjusted EPS growth relative to inflation over each performance period. 30% of this award will vest when the adjusted EPS growth equals RPI + 9% per annum over the performance period and the award fully vests at a growth of RPI + 24% per annum, with straight-line interpolation between these points

In the event of a change of control of the Group taking place, the Remuneration Committee, in its absolute discretion, will determine the extent to which an award may vest, having regard to the length of time that it has been held and the extent to which the performance targets have been satisfied

If an individual leaves the Alliance & Leicester Group, an unvested award will normally lapse. However, in exceptional circumstances (for example, as a result of retirement) the rules of the Plan allow awards to vest early at the discretion of the Remuneration Committee

None of these benefits is pensionable

Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2006 (continued)

Directors' Interests in Contracts

No director had a material interest at any time during the year in any contract of significance with the Company

Disclosure of Indemnities

The directors confirm that under S 309A of the Companies Act -

- a) at the time this Directors' Report is signed a qualifying third party indemnity provision (provided by the ultimate parent Company Alliance & Leicester plc) is in force for the benefit of all the directors of the Company and,
- b) for the financial year ended 31 December 2006 a qualifying third party indemnity provision (provided by the ultimate parent Company Alliance & Leicester plc) was in force for the benefit of all the directors of the Company

The directors confirm that under S310 of the Companies Act there is no qualifying third party indemnity provision for one or more directors of an associated company either on the date the Director's report is signed or in the last financial 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 2006 of Alliance & Leicester plc

Environment

Alliance & Leicester Print Services Limited recognises that it has a responsibility to act in a way that respects the environment

The responsibilities are managed on a Group basis. More details on the Group's environment policies and actions can be found in the Group's Corporate Responsibility Report, an extract of which is set out on pages 25 to 28 of the Group Report & Accounts

Creditors' Payment Policy

The Company's policy on creditor payment is consistent with that established at Group level. The Group is a signatory of the DTI's Better Payment Practice Code, details of which can be found at www.payontime.co.uk. The Company recognises the importance of maintaining good business relationships with its suppliers.

The Company policy is to

- agree the terms of payment at the start of business with a supplier,
- ensure suppliers are aware of the payment terms,
- pay in accordance with any contractual and other legal obligations

Trade creditor days of the Company for the year ended 31 December 2006 were 19 days (2005: 21 days), based on the ratio of Company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors

Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2006 (continued)

Auditors

The Company has by elective resolution, dispensed with the obligation to appoint auditors annually in accordance with S386 (1) of the Companies Act 1985. Therefore, the auditors, Deloitte & Touche, LLP will be deemed to be re-appointed for each succeeding year.


Each of the person's who is a director at the approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware and

2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself /herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the directors
On 22 May 2007
And signed on their behalf by



Richard Hawker
Secretary

Registered Office

Building 3 Floor 2
Carlton Park
Narborough
Leicester
LE19 0AL

Alliance & Leicester Print Services Limited

Statement of Directors' Responsibilities **For year ended 31 December 2006**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the Company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and of the profit or loss of the Company for that period and comply with UK GAAP and the Companies Act 1985. 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,
- prepare 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Alliance & Leicester Print Services Limited

Independent Auditors' Report

We have audited the financial statements of Alliance & Leicester Print Services Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

25 May 2007

Alliance & Leicester Print Services Limited

Profit and Loss Account for the year ended 31 December 2006

	Notes	Continuing Operations	
		2006 £	2005 £
Turnover	2	23,637,233	24,261,648
Cost of sales		(20,533,809)	(21,129,185)
Gross profit		3,103,424	3,132,463
Administrative expenses		(274,465)	(683,849)
Operating profit being profit on ordinary activities before taxation	4	2,828,959	2,448,614
Tax on profit on ordinary activities	5	(848,688)	(734,584)
Profit for the financial year	10	1,980,271	1,714,030

In both the current and preceding years, the Company had no recognised gains or losses other than the profit for the financial year. Accordingly no statement of total recognised gains and losses is provided.

The accompanying notes form an integral part of the profit and loss account.

Alliance & Leicester Print Services Limited

Balance Sheet as at 31 December 2006

	Notes	2006 £	2005 £
Current assets			
Debtors	7	3,279,016	2,744,904
Creditors amounts falling due within one year	8	(3,255,404)	(2,501,563)
Net assets		23,612	243,341
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	23,611	243,340
Total shareholders' funds	11	23,612	243,341

These financial statements were approved by the directors on 22 May 2007 and signed on their behalf by



G Wilkinson
Director

The accompanying notes form an integral part of the balance sheet

Alliance & Leicester Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2006

1 Accounting Policies

Accounting Convention

The Company prepares its accounts under the historical cost convention, and in accordance with applicable UK law and accounting standards

Cash Flow Statement

As a wholly owned subsidiary of Alliance & Leicester plc, the Company is exempt under FRS 1 (revised 1996) Cash Flow Statements from producing a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements

Taxation

The tax expense represents the sum of tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from the 'Profit before tax' as reported in the Profit and Loss accounts because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Taxable profit also includes items that are taxable or deductible that are not included in 'Profit before tax'. The Company's liability for current tax and deferred tax is calculated using tax rates that have been enacted at the balance sheet date. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the Profit and Loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax is provided using the full provision method in accordance with FRS 19 'Deferred Tax'. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is calculated at rates expected to be applicable when the liability or asset crystallises. Deferred tax is provided on a non-discounted basis.

2 Turnover

Turnover comprises the value of goods and services provided, excluding VAT. The origin and destination of all turnover was the United Kingdom.

3 Directors and Employees

The emoluments of the Chairman were £nil (2005: £nil). No other directors received any emoluments in respect of qualifying services to the Company during the year (2005: £nil). In 2005 and 2006 there are no employees of the Company.

4 Profit on Ordinary Activities before Taxation

The profit on ordinary activities before tax is stated after the following charges:

	2006 £	2005 £
Remuneration of the auditor and its associates		
For audit services	17,262	16,808

Fees payable to Deloitte & Touche LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Alliance & Leicester Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2006 (continued)

5 Tax on Profit on Ordinary Activities

	2006 £	2005 £
Analysis of charge in year		
UK corporation tax on profits for the year at 30% (2005 30%)	848,688	734,584
Tax on profit on ordinary activities	848,688	734,584

The tax charge for the period is equal to the standard rate of corporation tax in the UK of 30% (2005 30%)

6 Dividends

On 22 December 2006, the Company paid a 2006 dividend of £2,200,000 (2005 £3,100,000)

7 Debtors

	2006 £	2005 £
Amounts falling due within one year		
Amounts owed by group undertakings	2,936,134	2,441,878
Other debtors	342,882	303,026
Total debtors	3,279,016	2,744,904

8 Creditors

	2006 £	2005 £
Amounts falling due within one year		
Trade creditors	662,200	647,307
Corporation tax	272,273	788,129
Accruals and deferred income	2,320,931	1,066,127
Total creditors	3,255,404	2,501,563

9 Called Up Share Capital

	2006 £	2005 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

Alliance & Leicester Print Services Limited

Notes to the Financial Statements for the year ended 31 December 2006 (continued)

10 Reserves

	2006 £	2005 £
At 1 January	243,340	1,629,310
Profit for the financial year	1,980,271	1,714,030
Final dividend for 2004 (paid in 2005)	-	(1,600,000)
Interim dividend for 2005	-	(1,500,000)
Interim dividend for 2006	(2,200,000)	-
At 31 December	23,611	243,340

11 Reconciliation of Movements in Shareholders' Funds

	2006 £	2005 £
Profit for the financial year	1,980,271	1,714,030
Final dividend for 2004 (paid in 2005)	-	(1,600,000)
Interim dividend for 2005	-	(1,500,000)
Interim dividend for 2006	(2,200,000)	-
Net movement in shareholders' funds	(219,729)	(1,385,970)
Opening shareholders' funds	243,341	1,629,311
Closing shareholders' funds	23,612	243,341

12 Ultimate Parent Undertaking and Other Related Party Transactions

The Company is a subsidiary undertaking of Alliance & Leicester plc, which is the ultimate parent undertaking and controlling entity and is incorporated in England and Wales

The largest and smallest group in which the results of the Company are consolidated is Alliance & Leicester plc. These accounts may be obtained from the Company's registered office at Carlton Park, Narborough, Leicester LE19 0AL

As permitted by paragraph 3(c) of FRS 8, no disclosure is made of transactions with members of the Alliance & Leicester Group