

ALLIANCE & LEICESTER PRINT SERVICES LIMITED

Company Number 3805760

Report and Accounts
For the year ended 31 December 2007



Alliance & Leicester Print Services Limited

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Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2007

The directors present their Annual Report, together with the audited financial statements for the year ended 31 December 2007

The Company elected to adopt International Financial Reporting Standards ("IFRS") for the reporting of its financial results and position as at 31 December 2007. The Company made the decision to report under IFRS to align the subsidiary's reporting with the Group, which publishes its Annual Report and Accounts under IFRS. The change to IFRS did not result in the restatement of any balances.

Principal Activities & Business Review

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

The Company has continued to trade during 2007 and into 2008. On 1 October 2008, the directors made the decision to terminate the business. The accounts have therefore not been prepared on a going concern basis. This change has not had any effect on the results reported for 2007 or the Balance Sheet at 31 December 2007.

In July 2008, the Board of the parent company, Alliance & Leicester plc, took the decision to recommend the acquisition by Santander to its shareholders. Further details are given in note 12 to the accounts.

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 is operational risk. The Company manages its risk in line with the Group's Risk Management Policy and Control Framework and the Statement of Corporate Governance as described in Note 2 of the Alliance & Leicester plc Group Annual Report and Accounts for 2007, which do not form part of this report.

Results and Dividends

The profit on ordinary activities before tax for the year ended 31 December 2007 was £2,561,320 (2006 £2,828,959) which, after tax, resulted in a profit of £1,792,924 (2006 £1,980,271).

The Company did not pay a dividend in 2007 (2006 £2,200,000). The directors do not propose a further dividend.

The results for the year under review are as set out in the Income Statement on page 7, together with the supporting notes to the accounts.

Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2007 (continued)

Directors

The following persons are current directors, or were directors of the Company during the year

Mr C G Love	(appointed on 19 2 07)
Mrs J M Robinson	(appointed on 19 2 07)
Mrs L L Vernon	(appointed on 19 2 07)
Mr T S Bartlett	(appointed on 25 2 08)
Mr C C McDonnell	(appointed on 26 6 08)
Mrs R J Morrison	(appointed on 31 7 08)
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 and appointed on 31 7 08 as alternate to Mrs R J Morrison)
Mr B Fletcher	(appointed on 31 3 06 as alternate to Mr G R Evans and appointed on 26 6 08 as alternate to Mr C McDonnell)
Mrs N Kaur	(appointed on 19 2 07 as alternate to Mr C G Love & Mrs L L Vernon)
Mr M J Haig	(appointed on 25 2 08 as alternate to Mr T S Bartlett)
Mr S Leonard	(resigned on 16 2 07)
Mrs J M Robinson	(resigned on 30 1 08)
Mr G Wilkinson	(resigned on 31 7 08)
Mr G R Evans	(resigned on 9 5 08)
Mr C G Love	(resigned as alternate to Mr S Leonard on 16 2 07)
Mr T S Bartlett	(resigned as alternate to Mrs J M Robinson on 30 1 08)
Mr M P Burrows	(resigned as alternate to Mr G Wilkinson on 31 7 08)
Mr B Fletcher	(resigned as alternate to Mr G Evans on 9 5 08)

Disclosure of Indemnities

In accordance with Section 309 of the Companies Act, the directors confirm -

- at the time this Directors' Report is signed a qualifying third party indemnity provision (provided by the parent company Alliance & Leicester plc) is in force for the benefit of all the directors of the Company,
- for the financial year ended 31 December 2007 a qualifying third party indemnity provision (provided by the parent company Alliance & Leicester plc) was in force for the benefit of all the directors of the Company, and
- that there is no qualifying third party indemnity provision provided by the Company for one or more directors of an associated company either on the date the Directors Report is signed or at any point during the year under review

Corporate Governance

The Company's policies on Corporate Governance are consistent with those established at Group level and referred to in the Alliance & Leicester plc Group Annual Report and Accounts for 2007, which do not form part of this Report

Environment

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

Alliance & Leicester Print Services Limited

Directors' Report for the year ended 31 December 2007 (continued)

These 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 21 to 24 of the Alliance & Leicester plc Group Annual Report and Accounts for 2007, which do not form part of this Report.

Social Responsibilities

The Company operates in accordance with Group policies that are described in the Corporate Responsibility Report of the Alliance & Leicester plc Group Annual Report and Accounts for 2007, which do not form part of this Report.

Creditor Payment Policy

The Company's policy on creditor payment is consistent with that established at Group level. The Group is a signatory of the Department of Business Enterprise and Regulatory Reforms' 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 creditors for the year ended 31 December 2007 were 12 days (2006 restated 16 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.

Secretary

On 22 May 2007, Richard Allen Hawker resigned as Secretary and was succeeded by Miss Helen Armitage.

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 persons 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 and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the directors
On 9 October 2008
And signed on their behalf by


Helen Armitage
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 2007

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that 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 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.

Alliance & Leicester Print Services Limited

Independent Auditors' Report to the Members of Alliance & Leicester Print Services Limited

We have audited the financial statements of Alliance & Leicester Print Services Limited for the year ended 31 December 2007, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement 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 Annual Report and financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 judgements 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 IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December 2007 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

Without qualifying our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements which explains that the financial statements have been prepared on a basis other than going concern.

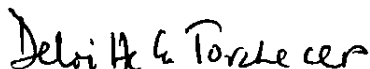
Alliance & Leicester Print Services Limited

Independent Auditors' Report to the Members of Alliance & Leicester Print Services Limited (continued)

Separate opinion in relation to IFRSs

As explained in note 1 to the financial statements, the Company in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board

In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

United Kingdom

9 October 2008

Alliance & Leicester Print Services Limited

Income Statement for the year ended 31 December

	Notes	2007 £	2006 £
Revenue		19,275,702	23,637,233
Cost of sales		(16,481,271)	(20,533,809)
Gross profit		2,794,431	3,103,424
Administrative expenses	3	(233,111)	(274,465)
Operating profit being profit before tax		2,561,320	2,828,959
Tax	4	(768,396)	(848,688)
Profit for the year	9	1,792,924	1,980,271

There are no other recognised gains or losses in either the current or previous financial year other than the profit for the financial year

All results arise from continuing activities

Alliance & Leicester Print Services Limited

Statement of Changes in Equity for the year ended 31 December

	Issued capital £	Retained earnings £	Total equity £
Balance at 1 January 2007	1	23,611	23,612
Profit for the year	-	1,792,924	1,792,924
Dividends	-	-	-
Balance at 31 December 2007	1	1,816,535	1,816,536

	Issued capital £	Retained earnings £	Total equity £
Balance at 1 January 2006	1	243,340	243,341
Profit for the year	-	1,980,271	1,980,271
Dividends	-	(2,200,000)	(2,200,000)
Total recognised income for the year	-	(219,729)	(219,729)

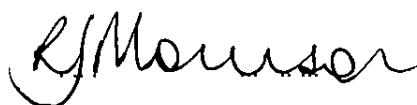
Balance at 31 December 2006	1	23,611	23,612
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Alliance & Leicester Print Services Limited

Balance Sheet as at 31 December

	Notes	2007 £	2006 £
Assets			
Current Assets			
Trade and other receivables	6	7,263,060	3,279,016
Total Assets		7,263,060	3,279,016
Current Liabilities			
Other liabilities	7	5,446,524	3,255,404
Total Liabilities		5,446,524	3,255,404
Net Assets		1,816,536	23,612
Equity			
Issued Share Capital and Reserves			
Issued share capital	8	1	1
Retained earnings	9	1,816,535	23,611
Total Equity		1,816,536	23,612

These financial statements were approved by the directors on 9 October 2008
and signed on their behalf by



R Morrison
Director

Alliance & Leicester Print Services Limited

Cash Flow Statement

for the year ended 31 December 2007

	2007 £	2006 £
Cash flows from operating activities		
Profit before tax	2,561,320	2,828,959
Net Cash Generated from Operating Activities before the movements in working capital	2,561,320	2,828,959
Taxation	(272,688)	(1,365,000)
Cash flows from operating profits before changes in operating assets and liabilities	2,288,632	1,463,959
Changes in operating assets and liabilities		
Net increase/(decrease) in trade and other receivables	3,092,888	(534,113)
Net increase in other liabilities	1,849,666	1,115,900
Net cash from operating activities	7,231,186	2,045,746
Cash flows from financing activities		
Dividends paid	-	(2,200,000)
Net cash from financing activities	-	(2,200,000)
Net increase in cash and cash equivalents	7,231,186	(154,254)
Cash and cash equivalents at beginning of year	(154,254)	-
Cash and cash equivalents at end of year	7,076,932	(154,254)

No cash flow statement was produced in the 2006 statutory accounts, prepared under UK GAAP. The cash flows above would not have been materially different had they been produced under UK GAAP.

Alliance & Leicester Print Services Limited

Notes to the Financial Statements

1 Principle accounting policies

The accounting policies are summarised below. They have been applied consistently throughout the current year and preceding year.

Accounting Convention

The Company elected to adopt International Financial Reporting Standards (IFRS) for the reporting of its financial results and position as at 31 December 2007. The Financial Statements have also been prepared in accordance with IFRS adopted for use by the European Union (EU) and therefore, the Financial Statements comply with Article 4 of the EU IAS regulation. The Company made the decision to report under IFRS to align subsidiaries reporting with the Alliance & Leicester Group which publishes its Annual Reports & Accounts under IFRS, and to apply best practice. The change to IFRS did not result in the restatement of any balances.

The Company prepares its accounts under the historical cost convention.

Going Concern

As the directors have decided to terminate the business it is not appropriate to prepare the accounts on a going concern basis. No changes to the results for 2007 or the balance sheet at 31 December 2007 are considered necessary as a result of this change. The financial statements do not include any provision for the future costs of terminating the business of the Company except that such were committed at the balance sheet date.

Revenue recognition

Revenue is recognised on an accruals basis. All such revenue is reported net of discounts and value added and other sales taxes.

Taxation

The tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Income Statement 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 or substantively enacted at the balance sheet date.

Deferred tax liabilities are 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 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 income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Cash and cash equivalents

Cash and cash equivalents comprise amounts owed by Group undertakings, cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement.

Pensions and post-retirement medical benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Alliance & Leicester plc is the sponsoring employer for the scheme.

Alliance & Leicester Print Services Limited

Notes to the Financial Statements (continued)

1 Principle accounting policies (continued)

There is no contractual agreement or stated policy for recharging the Defined Benefit cost to other Companies in the Group. Therefore, in accordance with IAS 19, the Company does not recognise an assets or liability for the scheme and accounts for its contributions as a Defined Contribution Scheme.

Financial Instruments

Amounts owed by and to Group undertakings, other debtors and trade creditors are carried at amortised cost using the effective interest rate method.

Changes to IFRS not Adopted in 2007 Accounts

The International Accounting Standards Board has published the following IAS's, IFRS's and International Financial Reporting Interpretations Committee (IFRIC) interpretations

Standard/Interpretation	Issued	Effective for periods commencing on or after
Amendments to IAS 1 Presentation of financial statement - A revised presentation ¹	Sep 2007	1 Jan 2009
Amendments to IAS 23 Borrowing costs ¹	Mar 2007	1 Jan 2009
Amendments to IAS 32 Puttable Financial Instruments and Obligations Arising on & IAS 1 Liquidation	Feb 2008	1 Jan 2009
Amendments to IAS 39 Eligible Hedged Items	July 2008	1 July 2009
IFRIC 11 IFRS 2 group and treasury share transactions	Nov 2006	1 Mar 2007
IFRIC 12 Service concession arrangements ²	Nov 2006	1 Jan 2008
IFRIC 13 Customer loyalty programmes ³	Oct 2007	1 Jul 2008
IFRIC 15 Agreements for Construction of Real Estate	July 2008	1 Jan 2009
IFRIC 16 Hedges of net investment in foreign operation	July 2008	1 Oct 2008
Amendment to IFRS 2 Share based payments – Vesting conditions and cancellations	Jan 2008	1 Jan 2009
IFRS 3 (revised) Business combinations ⁴	Jan 2008	1 Jul 2009
Amendments to IAS 27 Consolidated and separate financial statements ⁴	Jan 2008	1 Jul 2009

Notes

1 May be adopted prior to endorsement as long as there is no conflict with the current standard

2 May not be adopted in the EU prior to endorsement for arrangements currently accounted for under IFRIC 4

3 May be adopted prior to endorsement as interpretative only

4 May not be adopted prior to endorsement. These two Standards are expected to apply prospectively so there will be no retrospective adjustment to balances currently being reported when presented as comparatives

The Company has not elected to adopt these early in these financial statements. The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

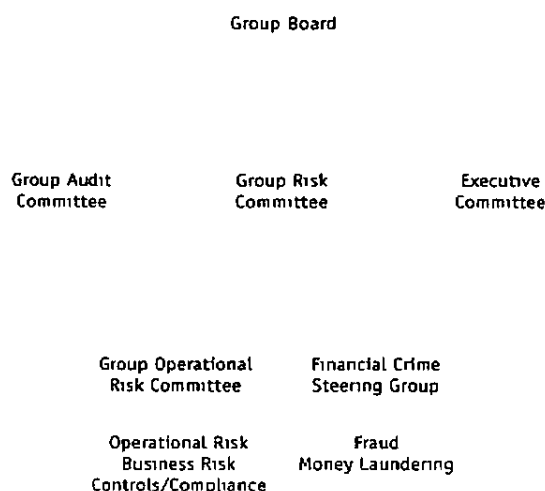
2 Risk management policy and control framework

Risk is managed on a Group basis. The risk management policy and control framework described below refers to the Alliance & Leicester Group policies that are applicable to the Company.

The Group's risk management governance structure is composed of several committees that have responsibility for key risk management areas. An illustration of how these committees report up to the Group Board is provided below.

Alliance & Leicester Print Services Limited

Notes to the Financial Statements (continued)



The main roles of the committees relevant to the Company are as follows

Group Risk Committee (GRC)

GRC considers and approves on behalf of the Group Board the Group's risk management framework, its risk appetite and its key risk management policies for all risk categories. The Committee also monitors key risk management information and reviews the Group's (including Treasury) overall capital adequacy. The Chairman of GRC reports to the Group Board on the Committee's activities quarterly.

Group Audit Committee (GAC)

GAC approves the Group's financial statements, manages the relationship with the Group's external auditors, reviews reports on the operation of internal controls and monitors control issues of major significance to the Group.

Executive Committee (EC)

EC acts as the Group's senior executive committee, ensuring that it meets its strategic and operational objectives.

Group Operational Risk Committee (GORC)

GORC reviews and approves the Group's key operational risk management policies, monitors the Group's exposure to operational risks and reviews the arrangements for measuring and controlling operational risks.

Financial Crime Steering Group (FCSG)

FCSG exists to facilitate a coordinated and effective response to financial crime across the Group, focusing primarily on implementing the Group's strategy on anti-money laundering and anti-fraud measures.

The most significant risk type to which the Group is exposed is Operational Risk.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Group sub-divides the operational risk category by type such as criminal, legal, regulatory, environmental, systems failure and personnel risk. Operational risk policies are in place for key operational activities; these policies set out how the Group manages the relevant risks. The policies are approved by the GORC.

The Group manages its operational risks through a variety of techniques, including monitoring key risk indicators, internal controls, and various risk mitigation techniques, such as insurance and business continuity planning. Risks are monitored through control and risk self-assessment, use of key risk indicators and analysis of actual and near miss loss data. Risk self-assessment is undertaken by each business unit, specifying the likelihood and financial impact of specific operational risk events (analysed by risk category), together with a narrative justification for each loss scenario identified. Output from the self-assessment process is used to calculate the Group's operational risk unexpected loss and economic capital requirements. GRC receives quarterly operational risk data, including realised loss data, near miss data and a dashboard which assesses the status of all key current and emerging operational risks using agreed key risk indicators. A summary of the dashboard is submitted to the Group Board on a monthly basis. In addition, senior management certify the effectiveness of the

Alliance & Leicester Print Services Limited

Notes to the Financial Statements (continued)

2 Risk Management Policy and Control Framework (continued)

risk and control environment every six months. A summary of the results of the certification process is presented to GRC.

An independent operational risk team within the Group Risk function has the overall responsibility for ensuring effective operation of the framework within which operational risk is managed, and for its consistent application across the Group. Day to day management of operational risk rests with line managers. Oversight of regulatory risk is the responsibility of the Group Risk and Compliance functions. Group Risk has primary responsibility for oversight of prudential risks and Group Compliance for other regulatory risks. The Group has established a regular forum, the Legal & Regulatory Risk Group, to ensure the Group is properly prepared for regulatory developments.

The Group has adopted the standardised approach for calculating the Pillar 1 capital requirements for operational risk.

3 Administrative Expenses

	2007 £	2006 £
Core administration expenses	233,111	274,465
Total	233,111	274,465

Auditor remuneration

Fees payable to the Company's auditors for the audit of the Company's annual accounts was £22,019 (2006 £17,262). No non-audit fees were incurred by the Company.

Staff numbers

No salaries or wages have been paid to employees, including the directors, during the year or the preceding year.

The company had no employees in either the current or the preceding year.

Directors' emoluments

Retirement benefits, under a defined benefit scheme, are accruing to 3 (2006: 5) directors who were in office at the year-end. Retirement benefits, under a defined contribution scheme, are accruing to 3 (2006: 0) directors who were in office at the year-end. Total contributions paid by the Company to the defined contribution scheme during the year, relating to the directors, were £22,206 (2006: £nil).

4 Corporation Tax Expense

The corporation tax expense for the year of £768,396 (2006: £848,688) represents 30% of profit before tax (2006: 30%).

	2007 £	2006 £
Profit before tax	2,561,320	2,828,959
Tax calculated at a tax rate of 30% (2006: 30%)	768,396	848,688
Corporation tax expense	768,396	848,688

The corporation tax expense is equal to the standard rate of corporation tax in the UK of 30%.

5 Dividends

The Company paid a dividend of £nil (2006: £2,200,000) which equates to £nil (2006: £2,200,000) per equity share.

Alliance & Leicester Print Services Limited

Notes to the Financial Statements (continued)

6 Trade and Other Receivables

	2007 £	2006 £
Amounts owed by Group undertakings	7,076,932	2,936,134
Other debtors	186,128	342,882
	7,263,060	3,279,016

The directors consider the carrying value of trade and other receivables to be approximately equal to their fair value

7 Other Liabilities

	2007 £	2006 £
Amounts owed to Group undertakings	2,933,693	154,254
Trade creditors	397,894	507,946
Corporation tax	768,396	272,273
Accruals and deferred income	1,346,541	2,320,931
	5,446,524	3,255,404

8 Share Capital

	2007 £	2006 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

9 Retained Earnings

	2007 £	2006 £
At 1 January	23,611	243,340
Profit for the financial year	1,792,924	1,980,271
Dividend	-	(2,200,000)
At 31 December	1,816,535	23,611

Alliance & Leicester Print Services Limited

Notes to the Financial Statements (continued)

10 Reconciliation of Movements in Shareholders' Funds

	2007 £	2006 £
Profit for the financial year	1,792,924	1,980,271
Dividend	-	(2,200,000)
Net movement in shareholders' funds	1,792,924	(219,729)
Opening shareholders' funds	23,612	243,341
Closing shareholders' funds	1,816,536	23,612

11 Ultimate Parent Undertaking and Other Related Party Transactions

Alliance & Leicester plc 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 the Alliance & Leicester Group, these accounts may be obtained from the Group's registered office at Carlton Park, Narborough, Leicester, LE19 0AL

The Company entered into transactions with other Group undertakings as shown in the table below

	2007 £	2006 £
Amount owed to Group undertakings		
At 1 January	154,254	-
Net Movements	2,779,439	154,254
At 31 December	2,933,693	154,254
Interest payable	-	-

	2007 £	2006 £
Amount owed from Group undertakings		
At 1 January	2,936,134	2,441,878
Net Movements	4,140,798	494,256
At 31 December	7,076,932	2,936,134
Interest receivable	-	-

Administration expenses

During the current and preceding year the Company paid administrative cost recharges to other Group undertakings

12 Events after the Balance Sheet date

In July 2008, Santander approached the Board of Alliance & Leicester plc ("A&L"), the Company's parent, with a proposed offer to acquire the entire share capital of A&L. On 14 July, after careful consideration and discussions with their advisors, the Board of A&L took the decision to recommend the acquisition by Santander to the shareholders

Subject to regulatory and court approval, the acquisition will complete on 10 October 2008

This transaction has had no impact on Alliance & Leicester Print Services Limited's reported results for the year ended 31 December 2007