

**ALLIANCE & LEICESTER
UNIT TRUST MANAGERS LIMITED**

**Registered in England and Wales
No. 2740602**

ANNUAL REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2010**

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ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED - 2740602

Directors' Report

The Directors submit their report together with the financial statements for the year ended 31 December 2010

This Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415(A)(1)&(2) of the Companies Act 2006

Principal activities and review of the year

The principal activity of Alliance & Leicester Unit Trust Managers Limited, (the "Company") is to earn commission from a discontinued unit trust business managed by Legal and General

Results and dividend

The profit for the year on ordinary activities after taxation amounted to £29,000 (2009 £50,000)

The Directors do not recommend the payment of a final dividend (2009 £nil)

Directors

The Directors who served throughout the year and to the date of this report (except as noted) were

H Tyrrell
R A Hawker

Financial instruments

The Company's risks are managed on a group level by the UK parent company, Santander UK plc

The financial risk management objectives of and policies of the Group, the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure of the Group to price risk, credit risk, liquidity risk and cash-flow risk are outlined in the financial statements of Santander UK plc

Statement of directors' responsibilities

The Directors are responsible for preparing the report and the financial statements in accordance with applicable laws 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 2006

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. 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 adequate 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 2006. 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

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Directors' Report

Statement of Going Concern

The Company has the ability to continue in existence for the foreseeable future and to meet all of its obligations as they fall due. However, IAS 1 requires that financial statements for any Company that has ceased to trade or where there is an intention for the Company to cease to trade in the next twelve months are prepared on an "other than going concern" basis. Accordingly the financial statements have been prepared on an "other than going concern" basis as there is the intention for trade to cease in the next twelve months. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

Third party indemnities

Enhanced indemnities are provided to the Directors of the Company by Santander UK plc against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities remain in force as at the date of this Report and Accounts. A copy of each of the indemnities is kept at the registered office address of Santander UK plc.

Auditors

Each of the Directors as at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all steps that he/she ought to have taken as a Director 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 Section 418 of the Companies Act 2006.

In accordance with Sections 485 and 487 of the Companies Act 2006, Deloitte LLP are deemed to have been re-appointed as auditors of the Company.

By Order of the Board



Helen Tyrrell, Director

24 March 2011

Registered Office: Customer Services Centre, Carlton Park, Narborough, Leicester LE19 0AL

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED - 2740602

Independent Auditor's Report to the Members of Alliance & Leicester Unit Trust Managers Limited

We have audited the financial statements of Alliance & Leicester Unit Trust Managers Limited (the "Company") for the year ended 31 December 2010 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, the Cash Flow Statement and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the financial statements, the Company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

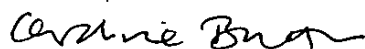
Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.



Caroline Britton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 March 2011

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED - 2740602

Statement of Comprehensive Income for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Investment revenues	5	40	70
Profit before tax		40	70
Tax	6	(11)	(20)
Profit for the year		29	50
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the equity holders of the Company		29	50

The results above arise from discontinued operations

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED - 2740602

Statement of Changes in Equity

	Issued capital £'000	Retained Earnings £'000	Total equity £'000
Balance at 1 January 2009	4,500	3,574	8,074
Profit for the year	-	50	50
Balance at 31 December 2009 and 1 January 2010	4,500	3,624	8,124
Profit for the year	-	29	29
Balance at 31 December 2010	4,500	3,653	8,153

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED - 2740602

Balance Sheet as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Current assets			
Cash and cash equivalents		8,184	11,484
Total assets		8,184	11,484
Current liabilities			
Amounts owed to Group undertakings	8	(20)	(3,360)
Corporation tax		(11)	-
Total liabilities		(31)	(3,360)
Net assets		8,153	8,124
Equity			
Called up share capital	7	4,500	4,500
Retained earnings		3,653	3,624
Total equity		8,153	8,124

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the board of Directors and authorised for issue on 24 March 2011. They were signed on its behalf by



Richard Hawker, Director

Alliance & Leicester Unit Trust Managers Limited - 2740602

Cash Flow Statement for the year ended 31 December 2010

	2010 £'000	2009 £'000
Operating activities		
Profit before tax	40	70
Decrease in amounts owed to group undertakings	(3,340)	-
Investment revenues	(40)	(70)
Net cash outflow from operating activities	(3,340)	-
Investing activities		
Interest received	40	70
Net cash from investing activities	40	70
Net (decrease)/increase in cash and cash equivalents	(3,300)	70
Cash and cash equivalents at beginning of year	11,484	11,414
Cash and cash equivalents at end of year	8,184	11,484

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED – 2740602

Notes to the financial statements for the year ended 31 December 2010

1 Principal accounting policies

The accounting policies that have been applied to Alliance & Leicester Unit Trust Managers Limited (the "Company") are summarised below. They have been applied consistently throughout the current year and preceding year.

a Basis of preparation

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). 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 financial statements have been prepared under the historical cost convention and on the other than going concern basis as disclosed in the Directors' Statement of Going Concern set out in the Report of the Directors on page 2.

b Going Concern

The Company has the ability to continue in existence for the foreseeable future and to meet all of its obligations as they fall due. However, IAS 1 requires that financial statements for any Company that has ceased to trade or where there is an intention for the Company to cease to trade in the next twelve months are prepared on an "other than going concern" basis. Accordingly the financial statements have been prepared on an "other than going concern" basis as the Company will likely cease to trade during the next year. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

c Revenue recognition

Revenue represents fee and commission income which is recognised on an accruals basis.

d Tax

The tax expense represents the sum of tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the Statement of Comprehensive Income 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 is calculated using tax rates that have been enacted at the balance sheet date.

e Application of new and revised International Financial Reporting Standards (IFRSs)

In 2010, the Company adopted the following significant new or revised International Financial Reporting Standards:

a) IFRS 3 'Business Combinations'

In January 2008, the IASB issued an amendment to IFRS 3 which clarifies and changes certain elements of accounting for a business combination, including the measurement and accounting for non-controlling interests, contingent consideration, step acquisitions and acquisition-related costs and also widens the scope of the standard. There are also associated amendments to IAS 27, IAS 28 and IAS 31.

IFRS 3 (2008) has been applied in the current year prospectively to business combinations for which the acquisition date is on or after 1 January 2010. Its adoption has affected the accounting for business combinations in the current year as follows:

IFRS 3 (2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree.

IFRS 3 (2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably, any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition.

Under the revised Standard, contingent consideration is measured at fair value at the acquisition date, subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Any adjustments to contingent considerations for acquisitions made prior to 1 January 2010 which result in an adjustment to goodwill continue to be accounted for under IFRS 3 (2004) and IAS 27 (2005).

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED – 2740602

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies (continued)

IFRS 3 (2008) requires the application of acquisition accounting only at the point where control is achieved, for a business combination achieved in stages (step acquisition). If an acquirer has a pre-existing equity interest in an acquiree and increases its equity interest sufficiently to achieve control, it must remeasure its previously-held equity interest in the acquiree at acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss. Once control is achieved, all other increases and decreases in ownership interests are treated as transactions among equity holders and reported within equity. Goodwill does not arise on any increase, and no gain or loss is recognised on any decrease.

IFRS 3 (2008) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

IFRS 3 (2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Company and the acquiree. The adoption of IFRS 3 (2008) did not affect the Company.

b) IAS 27 'Consolidated and Separate Financial Statements'

In January 2008, the IASB issued an amendment to IAS 27, to reflect the amendment in IFRS 3. The changes in the accounting policy have been applied prospectively from 1 January 2010. The application of IAS 27 (2008) has resulted in changes in the Company's accounting policies for changes in ownership interests in subsidiaries.

Specifically, the revised Standard has affected the Company's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in IFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate, for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under IAS 27 (2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Company to derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

The adoption of IAS 27 (2008) did not affect the Company.

c) IAS 28 'Investment in Associates' and IAS 31 'Interest in Joint Ventures'

In January 2008, the IASB made consequential amendments to IAS 28 and IAS 31 to extend the changes in IAS 27.

The principle adopted in IAS 27 (2008) that a change in accounting basis is recognised as a disposal and re-acquisition of any retained interest at fair value is extended to IAS 28 and IAS 31 as follows.

IAS 28 is amended such that for a change in equity interest in an associate, the investor remeasures at acquisition date fair value any investment retained in the former associate, with any consequential gain or loss compared to its carrying amount under IAS 28 recognised in profit or loss.

IAS 31 is amended such that for a change in joint control interest in an entity, the investor remeasures at fair value any investment retained in the former jointly controlled entity, with any consequential gain or loss compared to its carrying amount under IAS 31 recognised in profit or loss.

Any amount that has previously been recognised in other comprehensive income, and that would be reclassified to profit or loss following a disposal, is similarly reclassified to profit or loss.

The adoption of IAS 28 (2008) did not affect the Company.

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED – 2740602

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies (continued)

New and revised International Financial Reporting Standards in issue but not yet effective

The Company has not yet adopted the following significant new or revised standards and interpretations, and amendments thereto, which have been issued but which are not yet effective for the Company

a) IFRS 9 'Financial Instruments'

In November 2009, the IASB issued IFRS 9 and in October 2010, issued an amendment to IFRS 9 which introduce new requirements for the classification and measurement of financial assets and financial liabilities and for de-recognition. IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 'Financial Instruments: Recognition and Measurement' to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

The Company anticipates that IFRS 9 will be adopted in the Company's financial statements for the annual period beginning on or after 1 January 2013 and that the application of the new Standard may have a significant impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

b) IFRS 7 'Financial Instruments: Disclosures'

In October 2010, the IASB issued amendments to IFRS 7 that increase the disclosure requirements for transactions involving transfers of financial assets. The amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. The amendments to IFRS 7 are effective for annual periods beginning on or after 1 July 2011, with earlier application permitted.

The Company does not anticipate that these amendments to IFRS 7 will have a significant effect on the Company's disclosures regarding transfers of financial assets. However, if the Company enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

c) IAS 24 'Related Party Transactions'

In November 2009, the IASB issued amendments to IAS 24, effective for annual periods beginning on or after 1 January 2011, with earlier application permitted. The revised standard modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in IAS 24(2009) do not affect the Company because the Company is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED – 2740602

Notes to the financial statements for the year ended 31 December 2010

1 Financial risk management

The Company's risk management focuses on the major areas of credit risk and liquidity risk. Risk management is carried out by the central risk management function of the Santander UK plc Group. Santander UK plc's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK plc Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Santander UK plc Group's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the Santander UK plc Group's strategic objectives. Authority flows from the Santander UK plc Board to the Chief Executive Officer and from her to her direct reports. Delegation of authority is to individuals. Formal standing committees are maintained for effective management of oversight.

The Santander UK plc Group has three tiers of risk governance.

The first is provided by the Santander UK plc Board which approves Santander UK plc's Risk Appetite for each of the risks below, in consultation with Banco Santander, S.A. as appropriate, and approves the strategy for managing risk and is responsible for the Santander UK plc Group's system of internal control. Within this tier, there is a process for transaction review and approval within certain thresholds, discharged by the Credit Approval Committee. Transactions reviewed which exceed the threshold limits set are subject to prior review by Banco Santander, S.A. Risk before final approval by the Credit Approval Committee.

The second comprises the Santander UK plc Board and is supported by the Risk Division. The role of the Chief Risk Officer and Risk Division include development of risk measurement methodologies, risk approval, risk monitoring, risk reporting and escalation of risk issues in line with the relevant risk policies for all risks in the Santander UK plc Group. The Santander UK plc Group's central risk function provides services to the Company, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which ensure compliance with Group policies and limits, including risk policies, limits and parameters, an approval process relating to transactions that exceed local limits and the systematic review of exposures to large clients, sectors, geographical areas and different risk types.

The third tier comprises Risk Assurance, who provides independent objective assurance on the effectiveness of the management and control of risk across all of the Santander UK plc Group. This is provided through the Non-Executive Directors, Internal Audit function and the Audit and Risk Committee.

(a) Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Company losing the principal amount lent, the interest accrued and any unrealised gains, less any security held.

The main source of credit risk is in loans and advances to banks. Balances with banks are held only with high credit quality financial institutions.

(b) Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The Company manages liquidity risk by maintaining sufficient liquid resources to ensure it can meet its obligations as they fall due.

The Company manages liquidity risk with the support of its parent company, ensuring that the Company will have sufficient liquid resources to ensure it can meet its obligations as they fall due.

All liabilities are repayable on demand.

(c) Interest rate risk

The Company is exposed to interest rate risk as it receives a variable interest rate on funds deposited with Santander UK plc.

The sensitivity analysis below has been determined based on the average balance held on deposit with Santander UK plc during the reporting period.

A one percentage point movement in interest rates would have the following effects:

	2010 £'000	2009 £'000
Effect on profit before tax of 1% increase in interest rate	81	81
Effect on profit before tax of 1% decrease in interest rate	(81)	(81)

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED – 2740602

Notes to the financial statements for the year ended 31 December 2010

2 Auditor's remuneration

The audit fee for the current and prior year has been paid on the Company's behalf by its ultimate UK parent undertaking, Santander UK plc, in accordance with Company policy, for which no recharge has been made. The audit fee for the current year is £5,150 (2009: £5,000).

3 Staff costs and Directors' emoluments

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by the ultimate UK parent company, Santander UK plc. No emoluments were paid by the Company to the Directors during the year (2009: £nil).

4 Investment revenues

	2010 £'000	2009 £'000
Bank interest	40	70

Bank interest is received on cash held on deposit with Santander UK plc.

5. Corporation tax

	2010 £'000	2009 £'000
Current tax		
UK corporation tax on profit for the year	11	20
Total current tax	11	20
Tax charge on profit for the year	11	20

UK corporation tax is calculated at 28% (2009: 28%) of the estimated assessable profits for the year.

The Finance (No 2) Act 2010, which provides for a reduction in the main rate of UK corporation tax from 28% to 27% effective from 1 April 2011, was enacted on 27 July 2010. The effect of the rate reduction was not material. The UK Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 24% by 1 April 2014.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2010 £'000	2009 £'000
Profit before tax	40	70
Tax calculated at a rate of 28% (2009: 28%)	11	20
Corporation tax expense	11	20

ALLIANCE & LEICESTER UNIT TRUST MANAGERS LIMITED – 2740602

Notes to the financial statements for the year ended 31 December 2010

6. Called up share capital

	2010 £	2009 £
Allotted, called up and fully paid		
4,500,002 Ordinary shares of £1 each	4,500,002	4,500,002

7 Ultimate parent company and related party transactions

The Company's immediate parent company is Santander UK plc, a company registered in England and Wales

The Company's ultimate parent undertaking and controlling party is Banco Santander, S A , a company registered in Spain. Banco Santander, S A is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Santander UK plc is the parent undertaking of the smallest group of undertakings for which the group accounts are drawn up and of which the Company is a member.

Copies of all sets of group accounts, which include the results of the Company, are available from Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN

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

	2010 £'000	2009 £'000
Amounts owed by other Group undertakings		
At 1 January	11,484	11,414
Net movements	(3,300)	70
At 31 December	8,184	11,484
Interest received from other Group undertakings	40	70

	2010 £'000	2009 £'000
Amounts owed to other Group undertakings		
At 1 January	3,360	3,340
Net movements	(3,340)	20
At 31 December	20	3,360

During the year the Company incurred an administrative cost recharge of £nil from its immediate parent undertaking (2009 £nil)