

# Balance sheet of the parent company

31 December 2005

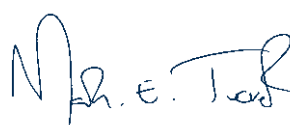
|   | Note | 2005<br>£m     | Restated<br>2004<br>£m |
|---|------|----------------|------------------------|
| <b>Fixed assets</b>   |      |                |                        |
| Investments:  |      |                |                        |
| Shares in subsidiary undertakings                                     | 4    | 5,175          | 5,629                  |
| Loans to subsidiary undertakings                                      | 4    | 2,697          | 2,129                  |
|   |      | <b>7,872</b>   | <b>7,758</b>           |
| <b>Current assets</b>   |      |                |                        |
| Debtors:  |      |                |                        |
| Amounts owed by subsidiary undertakings                               |      | 1,511          | 1,085                  |
| Other debtors   |      | 56             | 38                     |
| Cash at bank and in hand  |      | 121            | 325                    |
|   |      | <b>1,688</b>   | <b>1,448</b>           |
| <b>Less liabilities: amounts falling due within one year</b>          |      |                |                        |
| Debenture loans   | 6    | –              | (130)                  |
| Commercial paper  | 6    | (1,461)        | (1,228)                |
| Other borrowings  | 6    | –              | (3)                    |
| Derivative liability  | 7    | (37)           | –                      |
| Amounts owed to subsidiary undertakings                               |      | (805)          | (621)                  |
| Tax payable   |      | (171)          | (170)                  |
| Sundry creditors  |      | (37)           | (36)                   |
| Accruals and deferred income  |      | (41)           | (44)                   |
|   |      | <b>(2,552)</b> | <b>(2,232)</b>         |
| <b>Net current liabilities*</b>                                       |      | <b>(864)</b>   | <b>(784)</b>           |
| Total assets less current liabilities*                                |      | <b>7,008</b>   | <b>6,974</b>           |
| <b>Less liabilities: amounts falling due after more than one year</b> |      |                |                        |
| Subordinated liabilities  | 6    | (1,646)        | (1,429)                |
| Debenture loans   | 6    | (798)          | (800)                  |
| Other borrowings  | 6    | (11)           | (9)                    |
| Amounts owed to subsidiary undertakings                               |      | (2,016)        | (1,959)                |
|   |      | <b>(4,471)</b> | <b>(4,197)</b>         |
| <b>Total net assets (excluding pension liabilities)*</b>              |      | <b>2,537</b>   | <b>2,777</b>           |
| Pension liabilities (net of related deferred tax)*                    | 8    | (80)           | (83)                   |
| <b>Total net assets (including pension liabilities)*</b>              |      | <b>2,457</b>   | <b>2,694</b>           |
| <b>Capital and reserves</b>   |      |                |                        |
| Share capital   | 9    | 119            | 119                    |
| Share premium   | 9    | 1,564          | 1,558                  |
| Profit and loss account*  | 10   | 774            | 1,017                  |
| <b>Shareholders' funds*</b>   |      | <b>2,457</b>   | <b>2,694</b>           |

\* The 2004 figures for these lines have been restated for the implementation of FRS 17, 'Retirement Benefits' and FRS 21, 'Events after the Balance Sheet Date' (see note 3).

The financial statements of the parent company on pages 186 to 195 were approved by the Board of Directors on 15 March 2006.



Sir David Clementi  
Chairman



Mark Tucker  
Group Chief Executive



Philip Broadley  
Group Finance Director