

## Balance sheet of the parent company

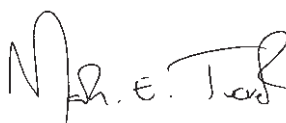
31 December 2006

	Note	2006 £m	2005 £m
<b>Fixed assets</b>			
Investments:			
Shares in subsidiary undertakings	4	6,085	5,175
Loans to subsidiary undertakings	4	2,841	2,697
		<b>8,926</b>	7,872
<b>Current assets</b>			
Debtors:			
Derivative assets	7	17	41
Amounts owed by subsidiary undertakings		2,057	1,577
Other debtors		42	56
Cash at bank and in hand		255	121
		<b>2,371</b>	1,795
<b>Less liabilities: amounts falling due within one year</b>			
Commercial paper	6	(2,017)	(1,461)
Other borrowings	6	(5)	–
Derivative liabilities	7	(100)	(144)
Amounts owed to subsidiary undertakings		(667)	(805)
Tax payable		(290)	(171)
Sundry creditors		(26)	(37)
Accruals and deferred income		(42)	(41)
		<b>(3,147)</b>	(2,659)
<b>Net current liabilities</b>		<b>(776)</b>	(864)
<b>Total assets less current liabilities</b>		<b>8,150</b>	7,008
<b>Less liabilities: amounts falling due after more than one year</b>			
Subordinated liabilities	6	(1,533)	(1,646)
Debenture loans	6	(797)	(798)
Other borrowings	6	(10)	(11)
Amounts owed to subsidiary undertakings		(2,532)	(2,016)
		<b>(4,872)</b>	(4,471)
<b>Total net assets (excluding pensions)</b>		<b>3,278</b>	2,537
Pension assets (liabilities) (net of related deferred tax)	8	34	(80)
<b>Total net assets (including pensions)</b>		<b>3,312</b>	2,457
<b>Capital and reserves</b>			
Share capital	9	122	119
Share premium	9	1,822	1,564
Profit and loss account	10	1,368	774
<b>Shareholders' funds</b>	10	<b>3,312</b>	2,457

The financial statements of the parent company on pages 240 to 249 were approved by the Board of directors on 14 March 2007.



Sir David Clementi  
Chairman



Mark Tucker  
Group Chief Executive



Philip Broadley  
Group Finance Director