Registered Number 1594751 2

HALIFAX PENSION NOMINEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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HALIFAX PENSION NOMINEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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HALIFAX PENSION NOMINEES LIMITED

DIRECTORS AND COMPANY INFORMATION

DIRECTORS

H F Baines (Chairman)
M H Ellis
I R Kirkaldy
J Morris

SECRETARY

G E Stivey

REGISTERED OFFICE

Trinity Road
Halifax
West Yorkshire
HX1 2RG

HALIFAX PENSION NOMINEES LIMITED

DIRECTORS' REPORT

The Directors present their Report and Financial Statements for the year ended 31 March 2003.

PRINCIPAL ACTIVITY, RESULTS AND DIVIDEND

The Company has carried on its activity of holding certain properties as nominee on behalf of the Halifax Retirement Fund. The Company has neither received income nor incurred expenditure during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served during the year were as follows:

H F Baines (Chairman)
M H Ellis
I R Kirkaldy
J Morris (Appointed 6 August 2002)

The interests of the Directors in the shares of the Company are as follows:

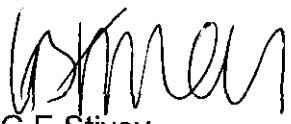
I R Kirkcaldy and M H Ellis held one share jointly throughout the period from 1 April 2002 to 31 March 2003.

Following his appointment as Director, J Morris acquired a joint interest, together with H F Baines, in one share of the Company. They retained that interest as at 31 March 2003.

AUDITORS

Pursuant to a resolution passed by the members, the company has elected to dispense with the holding of an Annual General meeting, of laying financial statements and reports before the Company in General meeting, and with the obligation to reappoint auditors annually.

By Order of the Board



G E Stivey
Secretary

Trinity Road
Halifax
HX1 2RG

20 May 2003

HALIFAX PENSION NOMINEES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the Directors are required to

- select suitable accounting policies and them apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 accounts comply with the Companies Act 1985. They have a general responsibility for taking steps as are reasonably open to them to safe guard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HALIFAX PENSION NOMINEES LIMITED

We have audited the accounts on pages 7 and 8

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 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 described on page 5, the Company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities as independent auditors, are established in the United Kingdom by statute, the Auditing practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice 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 accounts 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 accounts give a true and fair view of the state of the Company's affairs as at 31 March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditors

22 May 2003

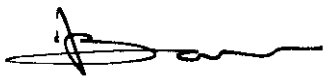
1 The Embankment
Neville Street
Leeds
LS1 4DW

HALIFAX PENSION NOMINEES LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors: amounts owed by parent undertaking		2	2
CAPITAL & RESERVES	3		
Called up share capital		2	2

These Financial Statements were approved by the Board of Directors on 20 May 2003 and were signed on its behalf by



H F Baines
Director

The notes on page 8 form part of these Financial Statements.

HALIFAX PENSION NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial year, the Company received no income and incurred no expenditure and consequently there is neither a profit nor a loss to report. All expenses of the Company have been borne either by Halifax plc or Halifax Retirement Fund.

2 ACCOUNTING POLICIES

These Financial Statements have been prepared in accordance with applicable accounting standards and have been drawn up under the historical cost convention.

3 CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2