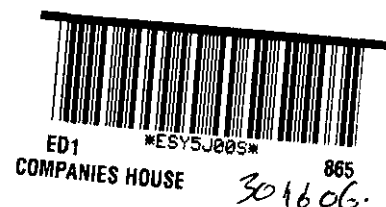


**ABBAY NATIONAL INDEPENDENT INVESTMENTS LIMITED
(FORMERLY ABBAY NATIONAL INDEPENDENT INVESTMENTS)**

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2006

REGISTERED IN ENGLAND AND WALES NO. 2468305



REPORT OF THE DIRECTORS

The Directors submit their annual report together with the financial statements of Abbey National Independent Investments Limited ("the Company") for the year ended 31 March 2006.

1. Principal activity

The principal activity of the Company is to act as an investment company. The Company has not traded during the year.

On 18 November 2005, the company changed its name to Abbey National Independent Investments Limited.

2. Result and dividends

The profit for the year on ordinary activities after taxation amounted to £nil (2005: £nil).

The directors do not recommend the payment of a dividend (2005: £199,273).

3. Directors and their interests

The Directors who served throughout the year, except as noted, were:

D M Green	
P A Ramsell	(resigned 31 August 2006)
S P Coles	(appointed 31 August 2006)
J L Wright	(appointed 31 August 2006)
J F O'Mahoney	(appointed alternate Director to D M Green on 31 August 2006)

No Director of the Company has any interests in the shares of the Company, or of other Group Companies incorporated in Great Britain.

4. Directors' responsibility statement

The directors are responsible for preparing their report and financial statements. The directors have chosen to prepare accounts for the company in accordance with International Financial Reporting Standards (IFRSs). Company law requires the directors to prepare such financial statements in accordance with International Financial Reporting Standards, the Companies Act 1985 and Article 4 of the IAS Regulation.

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 International Financial Reporting Standards. 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;

REPORT OF THE DIRECTORS (continued)

4. Directors' responsibility statement (continued)

- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards is 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
- prepare the accounts on a going concern basis unless, having assessed the ability of the company to continue as a going concern, management either intends to liquidate the entity or to cease trading, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 1985.

5. Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, Deloitte & Touche LLP are deemed to have been re-appointed as auditors of the Company.

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the director is aware, there is no relevant audit information (as defined in s234ZA of the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information (as defined in s234ZA of the Companies Act 1985) and to establish that the company's auditors are aware of that information.

By Order of the Board



For and on behalf of
Abbey National Secretariat Services Limited,
Secretary

24 October 2006

Registered Office:
Abbey National House
2 Triton Square
Regent's Place
London
NW1 3AN

Abbey National Independent Investments Limited
(Formerly Abbey National Independent Investments)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEY NATIONAL INDEPENDENT INVESTMENTS LIMITED

We have audited the individual company financial statements (the "financial statements") of Abbey National Independent Investments Limited for the year ended 31 March 2006 which comprise the income statement, the statement of recognised income and expenses, the balance sheet, the cash flow statement and the related notes 1 to 10. 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 the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant framework and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you 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 and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

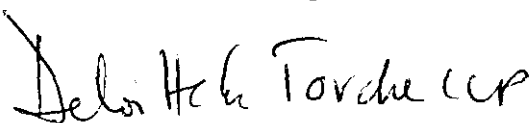
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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 those IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 31 March 2006 and of its result 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



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

England

Date:

24 October

2006

Abbey National Independent Investments Limited
(Formerly Abbey National Independent Investments)

Income Statement

For the year ended 31 March 2006

The Company has not prepared an income statement as there was no revenue during the current or preceding financial year.

Statement of recognised income and expense

For the year ended 31 March 2006

	Year ended 2006 £	Year ended 2005 £
Dividend paid	-	(199,273)
Loss for the year	-	-
Total recognised income and expense for the year	-	(199,273)
Attributable to:		
Equity holders of the parent	-	(199,273)
	-	(199,273)

Abbey National Independent Investments Limited
(Formerly Abbey National Independent Investments)

Balance Sheet
At 31 March 2006

	NOTES	Year ended 2006 £	Year ended 2005 £
Current assets			
Trade and other receivables	4	183,095	183,095
Total assets		183,095	183,095
Current liabilities			
Trade and other payables	5	(1,359)	(1,359)
Net current assets		181,736	181,736
Total liabilities		(1,359)	(1,359)
Net assets		181,736	181,736
Equity			
Share capital	6	181,736	181,736
Retained earnings	7	-	-
Equity attributable to equity holders of the parent		181,736	181,736
Total equity		181,736	181,736

The financial statements were approved by the board of directors and authorised for issue on 24 October 2006. They were signed on its behalf by: *D. Green*.



Director

Abbey National Independent Investments Limited
(Formerly Abbey National Independent Investments)

Cash Flow Statement

For the Year ended 31 March 2006

	NOTES	Year ended 2006 £m	Year ended 2005 £m
Net cash from operating activities	8	-	199,273
Financing activities			
Dividends paid on ordinary shares		-	(199,273)
Net cash used in financing activities		-	(199,273)
Net (decrease)/increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year	8	-	-

Abbey National Independent Investments Limited
(Formerly Abbey National Independent Investments)

Notes to the financial statements for the year ended 31 March 2006

1. Accounting Policies

Adoption of International Accounting Standards

The Financial Statements have for the first time, been prepared in accordance with International Financial Reporting Standards "IFRS" adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The date of transition to IFRS for the company and the date of its opening IFRS balance sheet was 1 April 2005.

There were no differences between UKGAAP, as previously applied, and IFRS in the current or preceding period in the company's financial position, financial performance or cash flows upon transition to IFRS. Therefore, no IFRS 1 transition disclosures are required.

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

Abbey National Independent Investments Limited financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention.

Share capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes.

2. Financial risk factors

As a non trading entity the company is exposed to credit risk on its outstanding balances.

Credit risk

The Company is exposed to credit risk on its amounts due from group companies. The maximum exposure due to credit risk at the balance sheet date amounted to £183,095. The Company does not use credit derivatives to mitigate the exposure to credit risk.

3. Other operating expenses

The audit fee was paid by the Company's ultimate parent undertaking, Abbey National plc, for which no recharge has been made in the current or prior year.

Directors' emoluments are borne by the ultimate parent company, Abbey National plc. No emoluments were paid to Directors by the Company during the year (2005: £nil) and it is not practicable for the parent company to apportion Directors' emoluments.

The Company has no employees (2005: none).

4. Trade and other receivables

	2006 £	2005 £
Amounts due from group company	183,093	183,093
Called up share capital not paid	2	2
	183,095	183,095

The Directors consider that the carrying amount of trade receivables approximates to their fair value.

Trade and other receivables include £nil (2005: £nil) that is expected to be recovered or settled after more than 12 months.

Abbey National Independent Investments Limited
(Formerly Abbey National Independent Investments)

Notes to the financial statements for the year ended 31 March 2006

5. Trade and other payables

	2006 £	2005 £
Amounts due to group companies in respect of group relief	1,359	1,359
	1,359	1,359

The directors consider that the carrying amount of trade payables approximates to their fair value.

6. Share capital

	2006 £	2005 £
Authorised:		
186,000 ordinary shares of £1 each	186,000	186,000
Issued and fully paid:		
181,734 ordinary shares of £1 each	181,734	181,734
Issued and not fully paid:		
2 ordinary shares of £1 each	2	2

7. Retained earnings

	£
Balance at 1 April 2004	199,273
Dividends paid	(199,273)
Net profit attributable to the parent	-
Balance at 1 April 2005	-
Net profit attributable to the parent	-
Balance at 31 March 2006	-

8. Notes to the cash flow statement

	2006 £	2005 £
Loss from operations	-	-
Operating cash flows before movements in working capital	-	-
Decrease in receivables	-	199,273
Cash generated by operations	-	199,273
Net cash flow from operating activities	-	199,273

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

9. Related party transactions

Trading transactions

During the year, the company entered into the following transactions with related parties who are not members of the company:

	Income		Expenditure		Amounts owed by related parties		Amounts owed to related parties	
	2006 £	2005 £	2006 £	2005 £	2006 £	2005 £	2006 £	2005 £
Group companies	-	-	-	-	183,095	183,095	1,359	1,359

Remuneration of key management personnel

There were no related party transactions during the year, or existing at the balance sheet date, with the company or parent company's key management personnel.

Notes to the financial statements for the year ended 31 March 2006

10. Parent undertaking and controlling party

The company's immediate parent company is *Abbey National Investments Holdings Limited*, a company incorporated in the United Kingdom.

The company's ultimate parent undertaking and controlling party is *Banco Santander Central Hispano S.A.* a company incorporated in Spain. *Banco Santander Central Hispano, 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. *Abbey National 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 Abbey Secretariat, Abbey National House, 2 Triton Square, Regents Place, London, NW1 3AN.