

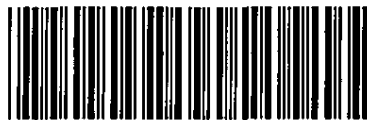
ABBAY NATIONAL NOMINEES LIMITED

**Registered in England and Wales
No: 2516674**

REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2007**

TUESDAY



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ABBEY NATIONAL NOMINEES LIMITED

Report of the directors

The Directors submit their report together with the financial statements for the year ended 31 December 2007

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

Principal activity

The principal activity of the Company is to act as a Nominee shareholder

Results and dividends

There was no profit or loss for the year ended 31 December 2007 (2006 £nil) The Directors do not recommended the payment of a dividend (2006 £nil)

Directors and their interests

The Directors who served throughout the year were

Mr S P Coles
Mr S Linsley (appointed 29 October 2007)
Mr J L Wright (resigned 31 May 2007)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law 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 1985.

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. However, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

ABBEE NATIONAL NOMINEES LIMITED

Auditors

In accordance with Sections 485 and 487 of the Companies Act 2006, 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 directors 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

7 January 2008

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

Independent Auditors' Report to the members of Abbey National Nominees Limited

We have audited the financial statements of Abbey National Nominees Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes 1 to 9. 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 law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 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 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 IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2007 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.

Separate opinion in relation to IFRSs

As explained in Note 1 to the financial statements, the company in addition to complying with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London 7 January 2008

ABBEY NATIONAL NOMINEES LIMITED

Income Statement

There were no transactions in the current or prior year and the company generated neither a profit nor a loss in either year

Statement of Recognised Income and Expense

The Company has no recognised income or expenses other than the results for the current and previous year as set out in the Income Statement

Cash Flow Statement

The Company has not undertaken any cash transactions in the current or previous year and so no cash flows have occurred

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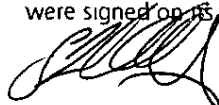
Balance Sheet

As at 31 December 2007

	Notes	2007 £	2006 £
Non-current assets			
Investments	3	1	-
Current assets			
Cash and cash equivalents		2	2
Current liabilities			
Trade and other payables	4	1	-
Net current assets		1	2
Net assets		2	2
Equity			
Share capital	5	2	2
Retained earnings		-	-
Equity attributable to equity holders of the company		2	2

The accompanying notes from an integral part of the accounts

The financial statements were approved by the board of directors and authorised for issue on 7 January 2008. They were signed on its behalf by Scott Unwin.



Scott Unwin
Director

ABBEY NATIONAL NOMINEES LIMITED

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

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

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union that are effective or available for early adoption at the company's reporting date. The company, in addition to complying with its legal obligation to comply with IFRSs as adopted for use in the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention.

In 2007, the Company adopted the following new or revised IFRS:

The amendments to IAS 1 "Capital Management" which requires that certain disclosures are made regarding the entity's objectives, policies and processes for managing capital.

Financial Instruments

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Investments

Investments are measured at initial recognition at fair value, with any resultant gain or loss recognised in the profit or loss. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

At each balance sheet date, the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets classified as available for sale or loans and receivables have become impaired. Evidence of impairment may include indications that the borrower or group of borrowers have defaulted or are experiencing significant financial difficulty.

2 Profit from operations

Fees payable to the company's auditors for the audit of the company's annual accounts for the current year are £3,000 (2006: £3,000) and have been borne by the Company's immediate UK parent undertaking Abbey National plc, for which no recharge has been made in the current or prior year.

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by the immediate UK parent company, Abbey National plc. No emoluments were paid by the Company to Directors during the year (2006: £nil).

The Company had no employees in the current or previous financial year.

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Notes to the financial statements for the year ended 31 December 2007

3 Investments

	2007 £	2006 £
Investments in group companies	1	-

The investments related to one company, AN Structured Issues Limited, which is a subsidiary of Abbey National plc. Abbey National Nominees Limited's holding of shares amounted to 50%.

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

4 Trade and other payables

	2007 £	2006 £
Amounts due to group companies	1	-

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

5 Share capital

	2007 £	2006 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Issued and fully paid		
2 ordinary shares	2	2

6 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 Abbey Group. Authority flows from the Abbey National plc Board to the Chief Executive Officer and from him to his direct reports. Delegation of authority is to individuals. Formal standing committees are maintained for effective management of oversight.

(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. It occurs in intercompany assets held by the Company.

Maximum exposure to credit risk without taking into account collateral or credit enhancements can be found in note 3 to the accounts.

(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.

Maturities of financial liabilities

	Demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total
At 31 December 2007						
Intercompany liabilities	1	-	-	-	-	1
Total financial liabilities	1	-	-	-	-	1
At 31 December 2006						
Intercompany liabilities	1	-	-	-	-	1
Total financial liabilities	1	-	-	-	-	1

ABBEY NATIONAL NOMINEES LIMITED

Notes to the financial statements for the year ended 31 December 2007

7 Related party transactions

The following were the balances with related parties as at 31 December 2007 and 31 December 2006

Amounts due to group companies	2007 £	2006 £
Abbey National plc	1	-

Transactions with related parties during the year comprised receipt of share capital from a subsidiary undertaking, the consideration for which remains not paid. There were no other related party transactions during the year, or balances existing at the balance sheet date, with the Company's or parent company's key management personnel.

8 Parent undertaking and controlling party

The Company's immediate parent company is Abbey National plc.

The Company's ultimate parent undertaking and controlling party is, Banco Santander, S A, a company incorporated 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. 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, Regent's Place, London, NW1 3AN.

9 Capital management and resources

The Company's ultimate UK parent, Abbey National plc ("Abbey"), adopts a centralised capital management approach, based on an assessment of both regulatory requirements and the economic capital impacts of businesses in the Abbey group. Disclosures relating to the Group's capital management can be found in the Abbey Annual Report and Accounts.