

ABBAY NATIONAL NOMINEES LIMITED

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

ANNUAL REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2009**

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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 2009

This Directors' report has been prepared in accordance with the special provisions relating to small companies under section 415(A)(1)&(2) of the Companies Act 2006

Principal activity and review of the year

The principal activity of Abbey National Nominees Limited, Company Number 2516674 (the "Company") is to act as a Nominee shareholder

The Company's interest in Abbey National Structured Issues Limited ended during the year

Results and dividends

There was no profit or loss for the year ended 31 December 2009 (2008 £nil) and therefore the Directors do not recommend the payment of a final dividend (2008 £nil)

Directors

The Directors who served throughout the year and to the date of this report were as follows

Mr S P Coles

Mr S Linsley

Mrs Sandra Odell

(appointed on 15 July 2009 and resigned on 4 November 2009)

Miss H Armitage

(appointed on 7 December 2009)

Auditors

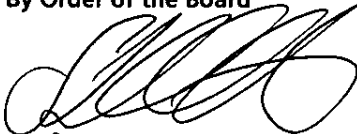
Each of the Directors as at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

In accordance with Sections 485 and 487 of the Companies Act 2006, Deloitte LLP are deemed to have been re-appointed as auditors of the Company

By Order of the Board



S. A. LINSLEY
Director

5 February 2010

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

ABBEY NATIONAL NOMINEES LIMITED

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

We have audited the financial statements of Abbey National Nominees Limited (the "Company") for the year ended 31 December 2009 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the financial statements, the Company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

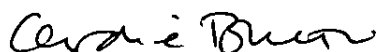
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.



Caroline Britton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
5 February 2010

ABBEY NATIONAL NOMINEES LIMITED

Statement of Comprehensive Income For the year ended 31 December 2009

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 Changes in Equity For the year ended 31 December 2009

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2008	2	-	2
Profit for the year	-	-	-
At 31 December 2008 and 1 January 2009	2	-	2
Profit for the year	-	-	-
At 31 December 2009	2	-	2

Cash Flow Statement

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

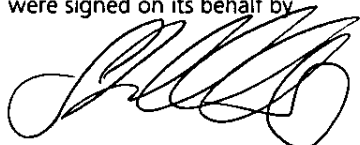
ABBEY NATIONAL NOMINEES LIMITED

Balance Sheet

As at 31 December 2009

	Notes	2009 £	2008 £
Non-current assets			
Investments	3	-	1
Current assets			
Cash and cash equivalents	4	2	2
Current liabilities			
Trade and other payables	5	-	1
Net current assets		2	1
Net assets		2	2
Equity			
Share capital	6	2	2
Retained earnings		-	-
Equity attributable to equity holders of the Company		2	2

The financial statements were approved by the board of Directors and authorised for issue on 5 February 2010. They were signed on its behalf by



S.A. WINSLEY
Director

ABBEY NATIONAL NOMINEES LIMITED

Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

The principal accounting policies that have been applied to Abbey National Nominees Limited (the "Company") 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.

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, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by the immediate UK parent company, Santander UK plc. No emoluments were paid by the Company to Directors during the year (2008: £nil).

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

The expenses of the Company including auditor's remuneration of £5,000 (2008: £nil), relating to fees payable to the Auditors for the audit of the Company's annual accounts have been borne by the immediate or ultimate UK parent company.

ABBEY NATIONAL NOMINEES LIMITED

Notes to the financial statements for the year ended 31 December 2009

3. Investments

	2009 £	2008 £
Investments in group companies	-	1

The investment related to one company, AN Structured Issues Limited, which was a subsidiary of Santander UK plc. Abbey National Nominees Limited's holding of shares amounted to 50%. During 2009 AN Structured Issues Limited was dissolved.

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

4. Cash and cash equivalents

	2009 £	2008 £
Due from banks	2	2
Total cash and cash equivalents	2	2

5. Trade and other payables

	2009 £	2008 £
Amounts due to group companies	-	1

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

6. Share capital

	2009 £	2008 £
Issued and fully paid:		
2 ordinary shares	2	2

7. 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 Santander UK plc Group. Authority flows from the Santander UK 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 4 to the accounts.

ABBEY NATIONAL NOMINEES LIMITED

Notes to the financial statements for the year ended 31 December 2009

7 Financial Risk Management - continued

(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 £
At 31 December 2009	
Intercompany liabilities	-
Total financial liabilities	-

	Demand £
At 31 December 2008	
Intercompany liabilities	1
Total financial liabilities	1

8 Related party transactions

The following were the balances with related parties as at 31 December 2009 and 31 December 2008

	2009 £	2008 £
Amounts due from group companies		
Santander UK plc (formerly Abbey National plc)	2	2

	2009 £	2008 £
Amounts due to group companies		
AN Structured Issues Limited (dissolved in 2009)	-	1

9. Parent undertaking and controlling party

The Company's immediate parent company is Santander UK 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 Santander UK 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 Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN

10. Capital management and resources

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

