

ABBAY NATIONAL NOMINEES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001
Registered No. 2516674



ABBEY NATIONAL NOMINEES LIMITED

Report of the Directors

The Directors submit their report together with the accounts for the year ended 31 December 2001.

1. Principal activity and review of the year

The Company has not traded during the year. No significant accounting transactions as required to be entered in the Company's accounting records by Section 221 of the Companies Act 1985 have occurred during the period under review and therefore the Company is considered to be dormant.

2. Results and Dividends

There was no profit or loss for the period ended 31 December 2001 and therefore the Directors do not recommend the payment of a dividend.

3. Directors and their interests

The Directors who served during the year were :

Mr I R Christie
Mrs L Nagrecha
Mr N Wilkes
Mrs C H Ramsey

None of the Directors had a beneficial interest in the shares of the Company at the year end. The Directors' interests in the shares of the ultimate holding company, Abbey National plc, (other than those disclosed in that company's annual report) were as follows :

Ordinary Shares 10p each

Directors	As at 1 January 2001 or at date of appointment if later	Shares acquired during the year or since appointment if later	Shares disposed of during the year or since appointment if later	As at 31 December 2001
Mr I R Christie	4,338	344	1,947	2,735
Mrs L Nagrecha	9,920	1,371	6,312	4,979
Mr N Wilkes	13,370	33	4,864	8,539
Mrs C H Ramsey	1,343	0	0	1,343

Option Schemes - Ordinary Shares 10p each

Directors	As at 1 January 2001 or at date of appointment if later	Options granted during the year or since appointment if later.	Options exercised during the year or since appointment if later.	As at 31 December 2001
Mr I R Christie	2,611	1,295	296	3,610
Mrs L Nagrecha	3,491	575	740	3,326
Mr N Wilkes	36,402	8,303	0	44,705
Mrs C H Ramsey	479	575	179	875

ABBEY NATIONAL NOMINEES LIMITED

Report of the Directors (continued)

Options granted to Directors under the ultimate holding Company's Sharesave Scheme are exercisable at prices between 428 pence and 906 pence per share within six months of the third, fifth or seventh anniversary of the contract start date. Options granted under the Executive Share Option Scheme and Employee Share Option Schemes are exercisable at prices between 590 pence and 1306 pence per share after three years or five years and before 10 years from the date of grant.

Shares in respect of Executive Share Options granted in 2001 are held by the Abbey National ESOP Trust (the 'Trust'). Whilst the Directors' interest in these shares (if any) are included above, each of the directors of the Company is a potential beneficiary of the Trust and is therefore deemed to have an interest in the shares held by the Trust. At 31st December 2001 the Trust held 5,890,235 ordinary shares (2000 - 4,323,411).

Abbey National also operates a Partnership Share Scheme under its Employee Share Option Scheme. This is available to all eligible employees, including the directors named above. Under this scheme, participants may make 12 monthly contributions up to a maximum of £1500 per annum, to acquire shares in Abbey National. These shares may be purchased within 30 days from 31 May 2002 at their market value on 1 June 2001 or, if lower, their market value on or shortly after 31 May 2002. The number of shares which may be acquired under this scheme, calculated on the basis of the maximum contribution and the share price on 1 June 2001 (£12.35), is 121 shares. If the share price at 31 May 2002 (or shortly after) is lower than £12.35, then the number of shares which may be acquired, may be more than 121 shares. On the basis of the share price at 31 December 2001 (£9.80), 153 shares would be the maximum number of shares that could be acquired under the scheme.

Shares awarded under the Abbey National Long Term Incentive Plan (the 'Plan') are held by the Abbey National Employee Trust (the 'Employee Trust'). Whilst the Plan is currently restricted to members of the Abbey National plc Executive Committee, each of the directors of the Company is a potential beneficiary of the Employee Trust and is therefore deemed to have an interest in the shares held by the Employee Trust. At 31 December 2001, the Employee Trust held 604,362 ordinary shares (2000- 604,362).

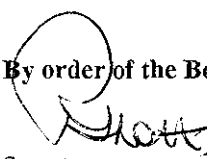
4. Economic Monetary Union

No material costs or issues arose during the year ended 31 December 2001 as a result of EMU.

5. Auditors

The annual accounts have not been audited because the Company is entitled to the exemption provided by Section 249AA of the Companies Act 1985 relating to dormant companies and no notice under Section 249B(2) has been deposited at the Company's registered office requiring the Company to obtain an audit of the accounts.

By order of the Board


Secretary or
For and behalf of
Abbey National Secretariat Services Limited

17th June

2002:

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

ABBEY NATIONAL NOMINEES LIMITED

Balance Sheet

As at 31 December 2001

	Notes	2001 £	2000 £
CURRENT ASSETS			
Cash at Bank		<u>2</u>	<u>2</u>
TOTAL ASSETS		<u><u>2</u></u>	<u><u>2</u></u>
CAPITAL and RESERVES			
Called-up share capital	3	<u>2</u>	<u>2</u>
TOTAL SHAREHOLDERS' FUNDS		<u><u>2</u></u>	<u><u>2</u></u>

The Company is entitled to exemption under Subsection (1) of Section 249AA of the Companies Act 1985 in respect of its accounts for the year ended 31 December 2001. The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with Section 221 of the Companies Act 1985. The Directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company. No member has required the Company to obtain an audit of its accounts for the year ended 31 December 2001.

The financial statements on page 3 to 4 were approved by the Board of Directors on: 10/6/02

Signed on behalf of the Board of Directors by I R Christie.

Director



ABBEY NATIONAL NOMINEES LIMITED

Notes to the Financial Statements for the year ended 31 December 2001

1. Accounting Policies

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

- (1) The Company is a wholly owned subsidiary of Abbey National plc, a company registered in England and Wales. Accordingly the Company is not required to produce a cash flow statement as prescribed in paragraph 5 (a) of Financial Reporting Standard No.1 (revised 1996), Cash Flow Statements.

2. Profit on Ordinary Activities before Taxation

Directors' emoluments and auditors' remuneration are borne by the Parent Company, Abbey National plc. No emoluments were paid to Directors by the Company during the year and it is not practical for the Parent Company to apportion Directors' emoluments.

The Company has no employees. No management fee for administration services is charged by the Parent Company.

3. Share Capital

	2001 £	2000 £
Authorised: 1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid : 2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

4. Capital Commitments and Contingent Liabilities

There were no outstanding capital commitments or contingent liabilities at 31 December 2001 (2000: nil).

5. Related party transactions

There were no related party transactions during the period or existing at the balance sheet date with Directors of the Company.

The Company has taken advantage of the exemption covered by paragraph 3 (c) of FRS8 'Related Party Disclosures' not to disclose transactions with entities that are part of the Abbey National Group.

6. Ultimate Parent and Controlling Party

The Company's ultimate parent and controlling party is Abbey National plc, a company registered in England and Wales. Copies of the consolidated financial statements of Abbey National plc may be obtained from Abbey National House, 2 Triton Square, Regent's Place, London, NW1 3AN.