

**ABBHEY NATIONAL PROPERTY
SERVICES LIMITED**

**Registered in England and Wales
No. 2937720**

ANNUAL REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2007**

TUESDAY



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ABBEY NATIONAL PROPERTY SERVICES 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 and review of the year

The principal activities of the Company were commercial and residential estate agency and the provision of associated services. All of the Company's commitments under operating leases were transferred to Mapeley Columbus Ltd in December 2001. The Directors have been continuing to review property related opportunities, but the Directors do not expect any significant increase in the level of business in the foreseeable future. However, the directors may instead simplify the company further.

The Company remains in a net liability position and has the continued financial support of the parent company. However, it is anticipated that the Directors will dissolve the company during 2008 and the financial statements have therefore been prepared on a break up basis.

Going concern

The Company has the ability to continue in existence for the foreseeable future and to meet all of its obligations as they fall due. However, IAS 1 requires that financial statements for any Company that has ceased to trade or where there is an intention for the Company to cease to trade in the next twelve months are prepared on an "other than going concern" basis. Accordingly the financial statements have been prepared on an "other than going concern" basis as there is the intention for trade to cease in the next twelve months. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

Results and dividends

The loss for the year on ordinary activities after taxation amounted to £4,564 (2006: loss £3,193).

The Directors do not recommend the payment of a dividend (2006: £nil).

Directors

The Directors who served throughout the year were:

Mr R V Jones
Mr J F O'Mahoney
Mr N Wren

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.

ABBEY NATIONAL PROPERTY SERVICES LIMITED

Report of the directors (continued)

Third Party Indemnities

During 2006, Abbey National plc applied the provisions of the Companies (Audit, Investigations and Community Enterprise) Act 2004 to provide enhanced indemnities to the Directors of the Company against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnities remain in force as at the date of this Annual Report & Accounts. A copy of each of the indemnities is kept at the registered office address of Abbey National plc.

Auditors

Each of the persons who are directors at the date of approval of this annual report confirms that

- 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.

In accordance with Sections 485 and 487 of the Companies Act 2006, Deloitte & Touche LLP are deemed to have been reappointed as auditors of the Company.

By Order of the Board



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

11 February 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 Property Services Limited

We have audited the financial statements of Abbey National Property Services Limited for the year ended 31 December 2007 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 13. 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 Directors' 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 loss 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.

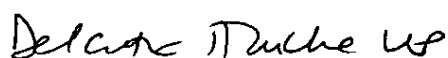
Separate opinion in relation to IFRSs

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 loss for the year then ended.

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

11 February 2008

ABBEY NATIONAL PROPERTY SERVICES LIMITED

Income Statement

For the year ended 31 December 2007

							Year ended 31 December 2007 £	Year ended 31 December 2006 £
Continuing operations				Notes				
Administrative expenses	-	-	-	-	-	-	(11,037)	(6,307)
Loss from operations	-	-	-	3	-	-	(11,037)	(6,307)
Investment income	-	-	-	4	-	-	4,516	1,746
Loss before tax							(6,521)	(4,561)
Tax				5			1,957	1,368
Loss attributable to equity holders of the company							(4,564)	(3,193)

The accompanying notes form an integral part of the accounts

Statement of Recognised Income and Expense

For the year ended 31 December 2007

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

ABBEY NATIONAL PROPERTY SERVICES LIMITED

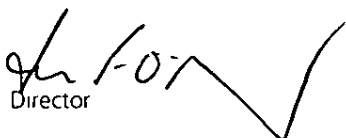
Balance Sheet

As at 31 December 2007

	Notes	2007 £	2006 £
Current assets			
Trade and other receivables	6	1,957	1,360,239
Cash and cash equivalents		214,896	210,418
Total current assets		216,853	1,570,657
Current liabilities			
Trade and other payables	7	(13,170,001)	(14,519,241)
Net liabilities		(12,953,148)	(12,948,584)
Equity			
Share capital	8	2	2
Accumulated losses	9	(12,953,150)	(12,948,586)
Total equity shareholders' deficit		(12,953,148)	(12,948,584)

The accompanying notes form an integral part of the accounts

The financial statements were approved by the board of directors and authorised for issue on 11 February 2008. They were signed on its behalf by


Director

ABBEY NATIONAL PROPERTY SERVICES LIMITED

Cash Flow Statement

For the year ended 31 December 2007

	Notes	Year ended 31 December 2007 £	Year ended 31 December 2006 £
Net cash from operating activities	10	(38)	(12)
Investing Activities			
Interest received		4,516	1,746
Net increase in cash and cash equivalents		4,478	1,734
Cash and cash equivalents at beginning of year		210,418	208,684
Cash and cash equivalents at end of year		214,896	210,418

ABBEY NATIONAL PROPERTY SERVICES 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. The Company's capital management disclosures may be found in note 12 to the accounts.

Going concern

The Company has the ability to continue in existence for the foreseeable future and to meet all of its obligations as they fall due. However, IAS 1 requires that financial statements for any Company that has ceased to trade or where there is an intention for the Company to cease to trade in the next twelve months are prepared on an "other than going concern" basis. Accordingly the financial statements have been prepared on an "other than going concern" basis as there is the intention for trade to cease in the next twelve months. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Investment property

Property held for long term rental yields and capital appreciation within the long-term assurance funds is classified as investment property. Investment property is stated at fair value, which is determined annually as the open market value. These valuations are reviewed annually by an independent valuation expert. Changes in fair values are recorded in the income statement.

Leases

The entity as lessor

Assets leased to customers under agreements which transfer substantially all the risks and rewards of ownership to the lessee, are classified as finance leases. Assets held under finance leases are recognised in the Balance Sheet as a receivable amount equal to the net investment in leases. The net investment in leases represents the present value of the minimum lease payments receivable under finance leases together with any unguaranteed residual value accruing to the lessor discounted at the rates of interest implicit in the leases. Income from finance leases is recognised using the actuarial before tax method to give a constant periodic rate of return on the net investment.

Operating lease assets are reported at cost less depreciation. They are shown as a separate class of tangible asset because they are held for a different purpose to tangible fixed assets used in administrative functions. Operating lease rental income is recognised on a straight-line basis over the life of the lease. Operating lease assets are depreciated over the useful economic life of the asset.

The entity as lessee

The entity principally enters into operating leases for the rental of equipment or real estate. Payments made under such leases are charged to the income statement principally on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

If the lease agreement transfers the risk and rewards of the asset, the lease is recorded as a finance lease and the related asset is capitalised. At inception, the asset is recorded at the lower of the present value of the minimum lease payments or fair value and depreciated over its estimated useful life. The corresponding rental obligations are recorded as borrowings.

The aggregate benefit of incentives, if any, is recognised as a reduction of rental expense over the lease term on a straightline basis.

ABBEY NATIONAL PROPERTY SERVICES LIMITED

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

1 Accounting Policies (continued)

Income taxes, including deferred income taxes

Income tax payable on profits, based on the applicable tax law in each jurisdiction is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and which are not classified as available for sale. They arise when the entity provides money or services directly to a customer with no intention of trading the loan. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the entity has transferred substantially all of the risks and rewards of ownership.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. 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.

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.

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

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short term investments in securities.

ABBEY NATIONAL PROPERTY SERVICES LIMITED

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

2 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. Abbey's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Abbey Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Abbey Group's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the Abbey Group's strategic objectives. 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.

The Abbey Group has three tiers of risk governance.

The first is provided by the Abbey Board which approves Abbey's Risk Appetite for each of the risks below, in consultation with Santander as appropriate, and approves the strategy for managing risk and is responsible for the Abbey Group's system of internal control. Within this tier, there is a process for transaction review and approval within certain thresholds, discharged by the Risk Approval Committee. Transactions reviewed which exceed the threshold limits set are subject to prior review by Santander Risk before final approval by the Risk Approval Committee.

The second comprises the Abbey Board and is supported by the Risk Division. The role of the Chief Risk Officers and Risk Division include development of risk measurement methodologies, risk approval, risk monitoring, risk reporting and escalation of risk issues in line with the relevant risk policies for all risks in the Abbey Group. The Abbey Group's central risk function provides services to the Company, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which ensure compliance with Group policies and limits, including risk policies, limits and parameters, an approval process relating to transactions that exceed local limits and the systematic review of exposures to large clients, sectors, geographical areas and different risk types.

The third tier comprises Risk Assurance, who provide independent objective assurance on the effectiveness of the management and control of risk across all of the Abbey Group. This is provided through the Non-Executive Directors, Internal Audit function and the Audit and Risk Committee.

(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 6 and 11 to the accounts.

Impaired financial assets

A description of how impairment is measured can be found in the accounting policies on page 8.

(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.

The Company manages liquidity risk by maintaining sufficient liquid resources to ensure it can meet its obligations as they fall due.

The Company manages liquidity risk with the support of its parent company, ensuring that the Company will have sufficient liquid resources to ensure it can meet its obligations as they fall due.

Maturities of financial liabilities

All liabilities are repayable on demand.

3 Loss from operations

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by the immediate 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.

The audit fee for the current and prior year has been paid on the Company's behalf by its ultimate UK parent undertaking, Abbey National plc, in accordance with company policy, for which no recharge has been made. The audit fee for the current year is £6,500 (2006: £6,500).

ABBEY NATIONAL PROPERTY SERVICES LIMITED

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

4 Investment income

	2007 £	2006 £
Interest on bank deposits	4,516	1,746

5 Tax

	2007 £	2006 £
Current tax		
UK corporation tax	1,957	1,368

Corporation tax is calculated at 30% (2006 30%) of the estimated assessable loss for the year

The credit for the year can be reconciled to the loss per the income statement as follows

	2007 £	2006 £
Loss before tax		
Continuing operations	(6,521)	(4,561)
Tax at the UK corporation tax rate of 30% (2006 30%)	1,957	1,368
Tax effect of adjustments to tax charge in respect of prior periods	-	-
Tax credit for the year	1,957	1,368

6 Trade and other receivables

	2007 £	2006 £
Amounts due from group companies	-	1,347,871
Amounts due from group companies – group relief receivable	1,957	1,368
Other receivables	-	11,000
	1,957	1,360,239

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

7 Trade and other payables

	2007 £	2006 £
Amounts due to group companies	13,170,001	14,519,241

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

8 Share capital

	2007 £	2006 £
Authorised		
100 ordinary shares of £1 each	100	100
Issued and fully paid		
2 ordinary shares	2	2

9 Accumulated losses

	£
Balance at 1 January 2006	(12,945,393)
Loss for the year	(3,193)
Balance at 31 December 2006 and 1 January 2007	(12,948,586)
Loss for the year	(4,564)
Balance at 31 December 2007	(12,953,150)

ABBEY NATIONAL PROPERTY SERVICES LIMITED

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

10 Notes to the cash flow statement

	2007 £	2006 £
Loss from operations	(11,037)	(6,307)
Operating cash flows before movements in working capital	(11,037)	(6,307)
(Decrease) in payables	(1,349,240)	-
Decrease in receivables	1,358,282	5,085
Cash generated by operations	(1,995)	(1,222)
Income tax repaid	1,957	1,210
Net cash flow from operating activities	(38)	(12)

Cash and cash equivalents comprise cash at bank with maturity of three months or less

11 Related party transactions

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

	2007 £	2006 £
Amounts due from group companies		
Abbey National Treasury Services plc	1,957	-
Abbey National plc	-	1,349,239
	2007 £	2006 £
Amounts due to group companies		
Abbey National plc	13,170,001	14,519,241

Transactions with related parties relate primarily to the settlement of group relief balances with the Company's immediate parent company or group companies

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

12 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. The Company has no non-centralised process for managing its own capital. Disclosures relating to the Abbey group's capital management can be found in the Abbey Annual Report and Accounts.

Capital held by the Company and managed centrally as part of the Abbey group, comprises share capital and reserves which can be found in the Balance Sheet on page 5.

13 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.