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**ABBAY NATIONAL PROPERTY  
SERVICES LIMITED**

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

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2009**

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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 2009

## **Principal activity and review of the year**

The principal activity of Abbey National Property Services Limited, Company Number 2937720 (the "Company") was 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 Company has not traded during the year. No significant accounting transactions, as required to be entered in the Company's accounting records by Section 386 of the Companies Act 2006, have occurred during the year under review and therefore the Company is considered to be dormant.

## **Results and dividends**

There was no profit or loss for the year ended 31 December 2009 (2008: profit £1,562).

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, unless otherwise stated were as follows:

Mr R V Jones  
Mr J F O'Mahoney  
Mr S P Coles (appointed 8 July 2009)

## **Auditors**

The annual accounts have not been audited as the Company is entitled to the exemption from Audit under section 480 of the Companies Act 2006 relating to dormant companies and no notice under Section 476 has been deposited at the Company's registered office requiring the Company to obtain an audit of the accounts.

## **By Order of the Board**



For and on behalf of  
Abbey National Nominees Limited, Secretary

10 February 2010

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

# **ABBEY NATIONAL PROPERTY SERVICES LIMITED**

## **Statement of Comprehensive Income** **For the year ended 31 December 2009**

		Year ended 31 December 2009 £	Year ended 31 December 2008 £
<b>Discontinued operations</b>	<b>Notes</b>		
Administrative expenses		-	(3)
Loss from operations	3	-	(3)
Investment income	4	-	2,188
Profit before tax		-	2,185
Tax	5	-	(623)
<b>Profit for the year</b>		-	<b>1,562</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		-	<b>1,562</b>
<b>attributable to the owners of the Company</b>			

The accompanying notes form an integral part of the accounts

# ABBEY NATIONAL PROPERTY SERVICES LIMITED

## Balance Sheet As at 31 December 2009

	Notes	2009 £	2008 £
<b>Current assets</b>			
Trade and other receivables		-	-
Cash and cash equivalents		-	-
<b>Total current assets</b>		-	-
<b>Current liabilities</b>			
Trade and other payables	6	(12,950,963)	(12,950,963)
Corporation Tax	5	(623)	(623)
<b>Net liabilities</b>		<b>(12,951,586)</b>	<b>(12,951,586)</b>
<b>Equity</b>			
Share capital	7	2	2
Accumulated losses	8	(12,951,588)	(12,951,588)
<b>Total equity shareholders' deficit</b>		<b>(12,951,586)</b>	<b>(12,951,586)</b>

For the year ending 31 December 2009 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

### Directors' Responsibilities

- (i) The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006
- (ii) The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting periods and the preparation of accounts

These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime

The financial statements were approved by the board of Directors and authorised for issue on 10 February 2010. They were signed on its behalf by *J O'Mahoney*

*[Signature]*  
Director

# **ABBEY NATIONAL PROPERTY SERVICES LIMITED**

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

### **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.

These financial statements have been prepared on an "other than going concern" basis as there is the intention to liquidate the entity in the foreseeable future.

#### **Revenue recognition**

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.

#### **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 rate 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.

# **ABBEY NATIONAL PROPERTY SERVICES LIMITED**

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

### **1 Accounting Policies (continued)**

#### **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

### **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 Santander UK plc Group (formerly Abbey Group). The Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK plc Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Santander UK plc 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 Santander UK plc Group's strategic objectives. 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.

The Santander UK plc Group has three tiers of risk governance.

The first is provided by the Santander Board which approves Santander UK plc'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 Santander UK plc Group's system of internal control. Within this tier, there is a process for transaction review and approval within certain thresholds, discharged by the Credit Approval Committee. Transactions reviewed which exceed the threshold limits set are subject to prior review by Santander Risk before final approval by the Credit Approval Committee.

The second comprises the Santander UK plc Board and is supported by the Risk Division. The role of the Chief Risk Officer 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 Santander UK plc Group. The 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 provides independent objective assurance on the effectiveness of the management and control of risk across all of the Santander UK plc 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.

#### **(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.

# **ABBEY NATIONAL PROPERTY SERVICES LIMITED**

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

### **3 Profit from operations**

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

### **4 Investment income**

	2009 £	2008 £
Interest on bank deposits	-	2,188

### **5 Tax**

	2009 £	2008 £
Current tax		
UK corporation tax	-	(623)

Corporation tax is calculated at 28% (2008: 28.5%) of the estimated taxable result.

The (charge)/credit for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2009 £	2008 £
Profit/(loss) before tax		
Discontinued operations	-	2,185
Tax (expense)/credit at the UK corporation tax rate of 28% (2008: 28.5%)	-	(623)
Tax effect of adjustments to tax charge in respect of prior periods	-	-
<b>Tax (expense)/credit for the year</b>	<b>-</b>	<b>(623)</b>

### **6. Trade and other payables**

	2009 £	2008 £
Amounts due to group companies	12,950,963	12,950,963

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

### **7 Share capital**

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

### **8 Accumulated losses**

	£
Balance at 1 January 2008	(12,953,150)
Loss for the year	1,562
Balance at 31 December 2008 and 1 January 2009	(12,951,588)
Profit for the year	-
<b>Balance at 31 December 2009</b>	<b>(12,951,588)</b>

## ABBEY NATIONAL PROPERTY SERVICES LIMITED

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

#### 9 Notes to the cash flow statement

	2009 £	2008 £
Loss from operations	-	(3)
Operating cash flows before movements in working capital	-	(3)
(Decrease) in payables	-	(219,038)
Decrease in receivables	-	1,957
Cash generated by operations	-	(217,084)
Income tax repaid	-	-
<b>Net cash flow from operating activities</b>	-	(217,084)

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

#### 10 Related party transactions

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

	2009 £	2008 £
<b>Amounts due to group companies</b>		
Santander UK plc	12,950,963	12,950,963

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

#### 11 Capital management and resources

The Company's 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 Company's capital management can be found in the Santander UK Annual Report and Accounts

Capital held by the Company and managed centrally as part of the Santander UK plc Group, comprises share capital and reserves which can be found in the Balance Sheet on page 3

#### 12 Parent undertaking and controlling party

The Company's immediate parent Company is Santander UK plc, a company registered in England & Wales

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