

**ABBNEY NATIONAL AMERICAN
INVESTMENTS LIMITED**

**ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2008**

**Registered in England and Wales
No. 3053574**

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REPORT OF THE DIRECTORS

The directors submit their report together with the financial statements for the year ended 31 December 2008.

Principal activity and business review

The principal activity of the Company is that of an investment company.

During the year, the Company generated investment income of £14,746,450 (2007: £nil) and interest income of £3,343,466 (2007: £15,735,517).

The Abbey National plc group manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performances of the divisions of Abbey National plc, which include the Company, are discussed in the group's Annual Report which does not form part of this Report.

The purpose of this Report is to provide information to the members of the Company and as such it is only addressed to those members. The Report may contain certain forward-looking statements with respect to the operations, performance and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations and intentions expressed in such forward-looking statements. Members should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and the Company undertakes no obligation to update any forward-looking statement during the year. Nothing in this Report should be construed as a profit forecast.

Results and Dividends

The profit for the year on ordinary activities after taxation amounted to £12,916,854 (2007: £10,987,876).

The Company paid an interim dividend on ordinary shares of £40,000,000 (2007: £nil).

Directors

The directors who served throughout the year were:

D M Green
M C Jackson
R C Truelove

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.

REPORT OF THE DIRECTORS (continued)

Statement of Directors' Responsibilities (continued)

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.

Statement of Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. The Company's objectives, policies and processes for managing its capital are described in note 12 to the financial statements.

Details of the Company's financial risk management objectives, its financial instruments and hedging activities; and its exposures to credit risk, market risk and liquidity risk are set out in note 2 to the financial statements.

The Company is part of the Abbey National Group. The Company is reliant on other companies in the Abbey National Group for a significant proportion of its funding. The Board of Abbey National plc has confirmed that it is a going concern, and that it will provide funding to the Company for the foreseeable future.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial Instruments

The Company's risks are managed on a group level by its ultimate UK parent company, Abbey National plc.

The financial risk management objectives of and policies of the Group; the policy for hedging each type of forecasted transaction for which hedge accounting is used; and the exposure of the Group to price risk, credit risk, liquidity risk and cash flow risk are outlined in the Group financial statements.

Further disclosures regarding financial risk management objectives and policies and the Company's exposure to principal risks can be found in note 2.

Third Party Indemnities

Since 2005, Abbey National plc has issued enhanced indemnities (initially under the Companies (Audit, Investigations and Community Enterprise) Act 2004 and currently under the Companies Act 2006) 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 and Accounts. A copy of each of the indemnities is kept at the registered office address of Abbey National plc.

REPORT OF THE DIRECTORS (continued)

Auditors

Each of the persons who is a director 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 they ought to have taken as director to make themselves 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 LLP are deemed to have been re-appointed as auditors of the Company.

By Order of the Board



For and on behalf of
Abbey National Nominees Limited
Secretary

25 February 2009

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

... AUDITORS' REPORT TO THE MEMBERS OF ABBEY NATIONAL AMEK

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We have audited the financial statements of Abbey National American Investments Limited for the year ended 31 December 2008, which comprise the Income Statement, the Statement of Recognised Income and Expense, the Cash Flow Statement, and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out in the Report of the Directors.

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 in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any 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 Report of the Directors 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 2008 and of its profit 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 Report of the Directors 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 2008 and of its profit for the year then ended.

Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom
25 February 2009

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FINANCIAL STATEMENTS

For the year ended 31 December 2008

Income Statement

For the year ended 31 December 2008

	Notes	2008 £	2007 £
Continuing operations			
Interest income		3,343,466	15,735,517
Investment income	3	14,746,450	-
Interest expense		(22,191)	(53,672)
Other operating expenses		(2,195)	-
Profit before tax	4	18,065,530	15,681,845
Tax	5	(5,148,676)	(4,693,969)
Net profit attributable to equity holders of the parent		12,916,854	10,987,876

The accompanying notes form an integral part of the financial statements.

All activities of the Company are classified as continuing.

Statement of Recognised Income and Expense

For the year ended 31 December 2008

	2008 £	2007 £
Profit for the year	12,916,854	10,987,876
Total recognised income and expense for the year	12,916,854	10,987,876
Attributable to equity holders of the parent	12,916,854	10,987,876

Cash Flow Statement

For the year ended 31 December 2008

	Note	2008 £	2007 £
Net cash flows from/(used in) operating activities	10	39,999,746	(72,278)
Financing activities			
Dividend paid to company shareholders		(40,000,000)	-
Net cash flows used in financing activities		(40,000,000)	-
Net decrease in cash and cash equivalents		(254)	(72,278)
Cash and cash equivalents at beginning of the year		-	72,278
Cash and cash equivalents at end of the year		(254)	-

The accompanying notes form an integral part of the financial statements.

FINANCIAL STATEMENTS
For the year ended 31 December 2008

Balance Sheet
At 31 December 2008

	Notes	2008 £	2007 £
Current Assets			
Loans and receivables	6	299,540,591	291,190,545
Total assets		299,540,591	291,190,545
Current liabilities			
Cash and cash equivalents		(254)	-
Tax liabilities		(1,519,179)	(2,424,553)
Trade and other payables	7	(40,004,759)	(3,666,447)
Total liabilities		(41,524,192)	(6,091,000)
Net current assets		258,016,399	285,099,545
Net assets		258,016,399	285,099,545
Equity			
Share capital	8	253,005,000	253,005,000
Retained earnings	9	5,011,399	32,094,545
Total equity attributable to equity holders of the parent		258,016,399	285,099,545

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 February 2009.
They were signed on its behalf by: *M. Jackson*

M. L. Jackson

Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the 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, except for the revaluation of financial instruments and on the going concern basis as disclosed in the Directors' statement of going concern set out in the Report of the Directors.

Revenue recognition

(a) Interest income and expense

Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities is determined using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the future cash flows are estimated after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts paid or received by the Company that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts.

(b) Fees and commissions income

Fees and commissions, which are not an integral part of the effective interest rate are generally recognised when the service has been provided.

(c) Dividend income

Dividend income is recognised when the Company's right to receive payment has been established.

(d) Financial assets held at fair value through profit and loss

Financial assets and liabilities held for trading and financial assets and financial liabilities designated as fair value through profit and loss are recorded at fair value. Changes in fair value of assets and liabilities designated as fair value through profit and loss are recognised in investment income together with changes in fair value of derivatives managed in conjunction with these assets and liabilities. Changes in fair value of derivatives designated in a hedging relationship are recognised in investment income.

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 liabilities

The entity classifies its financial liabilities, including intercompany financial liabilities, as deposits and payables which are held at amortised cost unless designated as held at fair value through profit and loss. The carrying value of financial liabilities are a fair approximation of their fair values.

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, net loans and advances to banks, amounts due from other banks and short term investments in securities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. Accounting Policies (continued)

Financial assets

The Company classifies its financial assets, including intercompany financial assets as either loans and receivables or financial assets at fair value through profit and loss. Management determines the classification at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are either held for trading or otherwise designated at fair value through profit or loss on initial recognition. A financial asset is classified as held for trading if it is a derivative. In certain circumstances financial assets other than those held for trading are designated at fair value through profit or loss where its designation results in more relevant information because it significantly reduces a measurement inconsistency that would otherwise arise from measuring assets or recognising the gains or losses on them on a different basis or where the assets are managed and their performance evaluated on a fair value basis.

Derivative financial instruments and financial assets designated at fair value are classified at fair value through profit or loss.

These are derecognised when the rights to receive cash flows from the asset have expired or the Company has substantially transferred all the risks and rewards of ownership.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market 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 Company has transferred substantially all of the risks and rewards of ownership.

Derivative financial instruments

Transactions are undertaken in derivative financial instruments, ('derivatives'). Derivatives are contracts or agreements whose value is derived from one or more underlying indices or asset values inherent in the contract or agreement, which require no or little initial net investment and are settled at a future date.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

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 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.

Impairment losses are recognised in the income statement and the carrying amount of the financial asset or group of financial reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

A write off is made when all collection procedures have been completed and is charged against previously established provisions for impairment.

Share capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are deducted from equity net of any related income taxes.

Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

2. Financial Risk Management

The Company's risk management focuses on the major areas of credit risk, liquidity risk and market 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.

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 to the financial statements.

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.

Maturities of financial liabilities can be found in note 7 to the financial statements.

Market risk

Market risk is the potential for loss of income or decrease in the value of net assets caused by movements in the levels and prices of financial instruments. Market risk arises as a result of interest rates and exposures to changes in equity market. During the year, the Company's income is in part exposed to movements in the LIBOR interest rate on receivables relating to amounts due by group companies and exposures to changes in equity markets.

Sensitivity analysis

The Company entered into derivatives instruments to hedge the market risk exposure arising from its investments held at fair value through profit and loss held during the year. This resulted in a £nil market risk exposure and the positions held were closed before year end.

If the Company's assets at balance date remain invested at a rate equivalent to the one month LIBOR rate prevailing at 31 December 2008 for the full year, a 50 basis point adverse movement in rates would result in a fall in revenue of £1,476,828, a 50 basis point favourable movement in rates would result in a increase to revenue of £1,476,828.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

3. Investment income

	2008 £	2007 £
Fees and commissions income	3,549,960	-
Dividend income	24,196,647	-
Net loss on investments held at fair value through profit and loss	(6,232,614)	-
Net loss on derivatives	(6,767,543)	-
	14,746,450	-

4. Profit from operations

No directors were remunerated for their services to the Company. Directors' emoluments are borne by the ultimate UK parent company, Abbey National plc. No emoluments were paid by the Company to the directors during the year (2007: £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 company, Abbey National plc, in accordance with company policy, for which no recharge has been made. The audit fee for the current year is £15,000 (2007: £15,000).

5. Tax

	2008 £	2007 £
Current tax:		
UK corporation tax		
Current year	(5,148,676)	(4,704,553)
Prior year	-	10,584
	(5,148,676)	(4,693,969)

Corporation tax is calculated using an effective tax rate of 28.5% (2007: 30%). The standard rate of UK corporation tax reduced from 30% to 28% with effect from 1 April 2008.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2008 £	2007 £
Profit before tax:	18,065,530	15,681,845
Tax at the UK corporation tax rate of 28.5% (2007: 30%)	(5,148,676)	(4,704,553)
Adjustment in respect of prior year	-	10,584
Tax expense for the year	(5,148,676)	(4,693,969)

6. Loans and receivables

	2008 £	2007 £
Amounts due by group companies	299,540,591	291,190,545

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

Amounts due by group companies are repayable on demand. Interest is fixed monthly at LIBOR (2007 : LIBOR).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

7. Trade and other payables

	2008 £	2007 £
Amounts due to group companies	(40,004,759)	(3,666,367)
Other	-	(80)
	(40,004,759)	(3,666,447)

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

The amounts due to group companies of £40,004,759 (2007: £3,666,367) have a short term maturity of 1 month and the prevailing monthly fixed interest rate at balance date is 2.17% (2007: 6.27%).

8. Share capital

	2008 £	2007 £
Ordinary Share Capital		
Authorised:		
253,005,000 ordinary shares of £1 each	253,005,000	253,005,000
Issued and fully paid:		
253,005,000 ordinary shares of £1 each	253,005,000	253,005,000

9. Retained earnings

	£
Balance at 1 January 2007	21,106,669
Net profit for the year	10,987,876
Balance at 31 December 2007	32,094,545
Balance at 1 January 2008	32,094,545
Net profit for the year	12,916,854
Dividend to company shareholder	(40,000,000)
Balance at 31 December 2008	5,011,399

10. Cash Flow Statement

Reconciliation of profit before tax to net cash outflow from operating activities:

	2008 £	2007 £
Profit before tax	18,065,530	15,681,845
<i>Changes in operating assets and liabilities</i>		
Change in receivables	(8,350,046)	(13,515,292)
Change in payables	36,338,313	3,666,447
Cash generated from operations	46,053,797	5,833,000
Income tax paid	(6,054,051)	(5,905,278)
Cash flows from/(used in) operating activities	39,999,746	(72,278)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

11. Related party transactions

Trading transactions

The trading transactions with related parties relate to interest received and paid on amounts due by and due to related group entities.

Related party transactions at balance date are as follows:

	Income		Expenditure		Amounts owed by related parties		Amounts owed to related parties	
	2008	2007	2008	2007	2008	2007	2008	2007
	£	£	£	£	£	£	£	£
Immediate UK parent company	3,343,466	15,735,517	(22,191)	(53,592)	299,540,591	291,190,545	(40,004,759)	(3,666,367)
Related group entities	669,836	-	-	-	-	-	-	-

No director or management personnel received any remuneration (2007: £nil).

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 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 6.

13. Parent undertaking and controlling party

The Company's immediate parent company is Abbey National Treasury Services plc, a company incorporated in Great Britain.

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 Treasury Services plc is the immediate 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, Regents Place, London, NW1 3AN.