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ABBAY NATIONAL LEGACY LIMITED

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2009

**Registered in England and Wales
No. 3211363**

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ABBEY NATIONAL LEGACY LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report together with the financial statements for the year ended 31 December 2009

This Report of the Directors 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 Legacy Limited, Company number 3211363 (the "Company") during the year was to act as a holding company

In the prior year, Santander UK plc completed the disposal of Porterbrook, its rolling stock leasing business, by the sale of 100% of Porterbrook Leasing Company Limited (previously a subsidiary of the Company) and its subsidiaries to a consortium of investors including Antin Infrastructure Partners (the BNP Paribas sponsored infrastructure fund), Deutsche Bank and Lloyds, TSB, for a cash consideration of £1.6bn for the group, of which, approximately £849,000,000 relates to the cash settlement of loans. Subsequent to the disposal, the Company received a distribution from its subsidiary, Abbey National Legacy Leasing Limited by way of dividend income of £468,000,000, of which £45,552,000 was recognised in the Income Statement and £422,448,000 was treated as a reduction in the cost of the capital investment.

By special resolution dated 23 June 2009, pursuant to section 641(1)(a) of the Companies Act 2006, the share capital of the Company's wholly owned subsidiary, Abbey National Legacy Leasing Limited was reduced from US\$752,500 of 'A' ordinary shares and £72,527,500 of deferred ordinary shares to \$0.02 by cancelling and extinguishing 75,249,998 issued 'A' ordinary shares of \$0.01 each and 7,252,750,000 issued deferred ordinary shares of £0.01 each. This resulted in a transfer to retained earnings of £73,011,000. On that same date, the Share Premium Account of its subsidiary was also cancelled and extinguished resulting in a transfer to retained earnings of £1,987,000. Subsequent to this the Company received a distribution from its subsidiary, Abbey National Legacy Leasing Limited by way of dividend income of £76,147,429, of which £1,150,080 was recognised in the Income Statement and £74,997,349 was treated as a reduction in the cost of the capital investment.

On 24 June 2009, by special resolution, pursuant to section 641(1)(a) of the Companies Act 2006, the share capital of the Company was reduced from 275,662,502 by cancelling and extinguishing 275,662,500 shares of £1 each to £2. This resulted in a transfer to retained earnings of £275,662,500.

The Directors do not expect any significant change in the level of the business in the foreseeable future.

Results and dividends

The profit for the year on ordinary activities after taxation amounted to £1,903,655 (2008: £35,679,810).

The Company paid an interim dividend of £277,566,155 (2008: £16,104,774).

Directors

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

Mark C. Jackson
Alan T. Rougier
Richard C. Truelove (appointed 20 July 2009)

ABBEEY NATIONAL LEGACY LIMITED

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities

The Directors are responsible for preparing the 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 2006.

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. 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 2006. 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. In addition, notes 11 and 2 to the financial statement include the Company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk, liquidity risk and market risk.

The Company has adequate financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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 of accounting in preparing the annual report and accounts.

Third Party Indemnities

Enhanced indemnities are provided to the Directors of the Company by Santander UK plc against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities remain in force as at the date of this Report and Accounts. A copy of each of the indemnities is kept at the registered office address of Santander UK plc.

ABBEY NATIONAL LEGACY LIMITED

REPORT OF THE DIRECTORS (continued)

Auditors

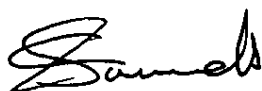
Each of the Directors as at the date of approval of this report confirms that

-
- 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



For and on behalf of
Abbey National Nominees Limited, Secretary

10 March 2010

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

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

We have audited the financial statements of Abbey National Legacy Limited (the "Company") for the year ended 31 December 2009 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement, the Balance Sheet, and the related notes 1 to 12. 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 Statement of Directors' Responsibilities, 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 and of its profit for the year then ended,
- 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 Report of the Directors 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 Report of the Directors.



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

ABBEY NATIONAL LEGACY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2009

Income Statement

For the year ended 31 December 2009

	Notes	2009 £	2008 £
Dividends received from subsidiary		1,150,080	45,551,777
Interest received		2,249,854	-
Interest expense	4	(1,203,222)	(13,806,419)
Profit before tax		2,196,712	31,745,358
Tax	5	(293,057)	3,934,452
Net profit attributable to equity holders of the company		1,903,655	35,679,810

The accompanying notes form an integral part of the accounts

All of the activities of the Company are classed as continuing

Statement of Comprehensive Income

For the year ended 31 December 2009

	2009 £	2008 £
Profit for the year	1,903,655	35,679,810
Other comprehensive income	-	-
Net transfer to profit	-	-
Total comprehensive income for the year before tax	-	-
Tax relating to components of other comprehensive income	-	-
Total comprehensive income for the year	1,903,655	35,679,810
Attributable to		
Equity holders of the company	1,903,655	35,679,810

Statement of Changes in Equity

For the year ended 31 December 2009

	Share Capital £	Retained Earnings £	Total £
Balance at 1 January 2008	275,662,502	(19,575,036)	256,087,466
Total comprehensive income for the year	-	35,679,810	35,679,810
Interim dividends for 2008	-	(16,104,774)	(16,104,774)
	275,662,502	-	275,662,502
Balance at 1 January 2009	275,662,502	-	275,662,502
Total comprehensive income for the year	-	1,903,655	1,903,655
Dividends for 2009	-	(277,566,155)	(277,566,155)
Reduction of share capital	(275,662,500)	275,662,500	-
Balance at 31 December 2009	2	-	2

ABBEY NATIONAL LEGACY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2009

Cash Flow Statement

For the year ended 31 December 2009

	Note	2009 £	2008 £
Net cash flows used in operating activities	9	201,418,726	(451,895,564)
Investing activities			
Dividends received		76,147,429	45,551,777
			422,448,561
Net cash flows from investing activities		76,147,429	468,000,338
Financing activities			
Dividend paid to company shareholders		(277,566,155)	(16,104,774)
			-
Net cash flows used in financing activities		(277,566,155)	(16,104,774)
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at end of the year		-	-

The accompanying notes form an integral part of the accounts

Balance Sheet

At 31 December 2009

	Notes	2009 £	2008 £
Non-current assets			
Interest in subsidiary undertaking	6	1	74,997,350
Current assets			
Trade and other receivables	7	1	200,665,152
Total assets		2	275,662,502
Net assets		2	275,662,502
Equity			
Share capital	8	2	275,662,502
Retained earnings		-	-
Equity attributable to equity holders of the company		2	275,662,502

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 10 March 2010. They were signed on its behalf by *M. Jackson*

M. L. Jackson

Director

ABBEY NATIONAL LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by 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 by 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 and on the going concern basis as disclosed in the Directors' statement of going concern set out in the Report of the Directors. The principal accounting policies adopted are set out below.

The principal accounting policies that have been applied to Abbey National Legacy 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.

Recent developments

In 2009, the Company adopted the following new or revised IFRS:

IAS 1 'Presentation of Financial Statements' – On 6 September 2007, the IASB issued an amendment to IAS 1 'Presentation of Financial Statements' which changes the way in which non-owner changes in equity are required to be presented. As a result, a 'Statement of Changes in Equity' has been included as a separate primary financial statement showing changes in equity during the periods presented. In addition, the Statement of Recognised Income and Expenses has been replaced with a 'Statement of Comprehensive Income'. The adoption of the amendment to IAS 1 did not have any impact on the Company's profit or loss or financial position.

Consolidated financial statements

The Company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EU and in accordance with IAS 27, is not required to produce, and has not published, consolidated accounts.

Revenue recognition

Dividend income is recognised when the right to receive payment is established.

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.

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.

Amounts due to and from group undertakings

Amounts due to and from group undertakings are recognised initially at fair value, being the proceeds (fair value of consideration received) net of transaction costs incurred. They are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Interest 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.

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 assets is 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.

ABBEY NATIONAL LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Significant accounting policies (continued)

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

Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders of the Company

Interest in subsidiary undertakings

Investments are carried at cost less any provision for impairment

2 Financial risk management

The Company's risk management focuses on the major areas of credit risk, market risk and liquidity risk. Risk management is carried out by the central risk management function of the Santander UK group. Santander UK plc ("Santander UK") Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Santander UK 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 group's strategic objectives. Authority flows from the Santander UK plc Board to the Chief Executive Officer and from him to his direct reports. Formal standing committees are maintained for effective management of oversight.

The Santander UK group has three tiers of risk governance

The first is provided by the Santander UK Board which approves Santander UK'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 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 Santander UK 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 group. The Santander UK 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 Santander UK group. This is provided through the Santander UK 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 receivables held by the Company.

Maximum exposure to credit risk without taking into account collateral or credit enhancements can be found in note 7 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.

ABBEY NATIONAL LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Financial risk management (continued)

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. The majority of market risk arises as a result of interest rates. The Company's profitability is part exposed to movements in the LIBOR interest rate on payables relating to amounts due to group companies.

Prior to the sale of the Porterbrook group interest rate risk was managed by the Porterbrook group through the use of derivative financial instruments, on which interest was paid at fixed rates and received at floating rates. The group reviewed its exposure to interest rate risk at board level on a quarterly basis, or more frequently if there were material changes to contracted forecast cash flows. If interest rate exposure was above trigger levels, further cover was sought through new derivative contracts. As such the group was not materially exposed to changes in interest rates.

Subsequent to the disposal of the subsidiary, the Company's income is exposed to movements in the LIBOR interest rate on receivables relating to amounts due from group companies.

In the prior year, if the Company's receivables remain invested at a rate equivalent to the three month LIBOR rate prevailing at 31 December 2009 for the full year, a 50 basis point adverse rates would result in a fall in revenue of £1,174,000, a 50 basis point favourable rate would result in an increase to revenue of £2,344,000.

3 Profit from operations

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

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

The statutory audit fee for the current and prior year has been paid on the Company's behalf by its UK parent company, Santander UK plc, in accordance with Company policy and no recharge has been made. The statutory audit fee for the current year is £5,000 (2008: £6,500).

4 Interest expense

	2009 £	2008 £
Interest on intercompany loans	1,203,222	13,806,419

5 Tax

	2009 £	2008 £
Current tax:		
UK corporation tax current year	293,057	(3,934,452)
Tax expense/(credit) for the year	293,057	(3,934,452)

Corporation tax is calculated using an effective tax rate of 28% (2008: 28.5%).

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

Profit before tax:	2,196,712	31,745,358
Tax at the UK corporation tax rate of 28% (2008: 28.5%)	(615,079)	(9,047,427)
Tax effect of non taxable income	322,022	12,981,879
Tax credit for the year	(293,057)	3,934,452

ABBEEY NATIONAL LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 Interests In subsidiary undertakings

The following is a list of the subsidiary undertakings of the company

Name of subsidiary	Place of Incorporation ownership (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %	Method used to account for investment	Principal activity
Abbey National Legacy Leasing Limited	England and Wales	100.0	100.0	At cost	Holding Company

Investments in subsidiary companies are shown at cost less provision for impairment. The Company has exercised the exemption under Section 400 of the Companies Act 2006, which dispenses with the requirement to prepare group accounts. This is also in line with the exemption in IAS 27 'Consolidate and Separate Financial Statements'.

By special resolution dated 23 June 2009, pursuant to section 641(1)(a) of the Companies Act 2006, the share capital of the Company's wholly owned subsidiary, Abbey National Legacy Leasing Limited was reduced from US\$752,500 of 'A' ordinary shares and £72,527,500 of deferred ordinary shares to \$0.02 by cancelling and extinguishing 75,249,998 issued 'A' ordinary shares of \$0.01 each and 7,252,750,000 issued deferred ordinary shares of £0.01 each. This resulted in a transfer to retained earnings of £73,011,000. On that same date, the Share Premium Account of its subsidiary was also cancelled and extinguished resulting in a transfer to retained earnings of £1,987,000. Subsequent to this the Company received a distribution from its subsidiary, Abbey National Legacy Leasing Limited by way of dividend income of £76,147,429, of which £1,150,080 was recognised in the Income Statement and £74,997,349 was treated as a reduction in the cost of the capital investment. Accordingly, the Company's investment of £74,997,350 was reduced to £1.

7. Trade and other receivables

	2009 £	2008 £
Amounts due from group companies	1	196,730,700
Amounts due from group companies in respect of group relief	-	3,934,452
	1	200,665,152

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

Amounts due by group companies for the current and prior year are non-interest bearing and are repayable on demand.

8 Share capital

	2009 £	2008 £
Share capital issued and fully paid		
275,662,502 Ordinary shares of £1 each	275,662,502	275,662,502
Redemption of share capital	(275,662,500)	-
	2	275,662,502

On 24 June 2009, by special resolution, pursuant to section 641(1)(a) of the Companies Act 2006, the share capital of the Company was reduced from 275,662,502 by cancelling and extinguishing 275,662,500 shares of £1 each to £2. This resulted in a transfer to retained earnings of £275,662,500.

ABBEY NATIONAL LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. Cash generated from operations

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

	2009 £	2008 £
Profit before tax	2,196,712	31,745,358
<i>Adjustments for</i>		
Dividends received	(1,150,080)	(45,551,777)
	1,046,632	(13,806,419)
<i>Changes in operating assets and liabilities</i>		
Change in receivables	200,665,151	(200,665,152)
Change in payables	-	(237,423,993)
Cash generated from operations	201,711,783	(451,895,564)
Income tax paid	(293,057)	-
Cash flows used in operating activities	201,418,726	(451,895,564)

10 Related party transactions

The related party disclosures in this note apply to related parties, which comprise the following entities and individuals

- Parent company
- Subsidiaries and fellow subsidiaries
- Parties that have an interest in the company that gives them a significant influence
- Parties that have joint control over the entity
- Associates
- Joint ventures
- The company's or parent company's key management personnel
- Close family members of the above

Trading transactions

During the year, the Company entered into the following transactions with related parties

	Income		Expenditure		Amounts owed by related parties	
	2009	2008	2009	2008	2009	2008
Parent companies	2,249,854	-	1,203,222	5,821,059	2	200,665,152
Subsidiaries	1,150,080	45,551,777	-	7,985,360	-	-

Income and expenditure shown in the table above relates to interest payable and receivable on outstanding intercompany balances

Key management personnel

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 ultimate UK parent, Santander UK plc ("Santander UK"), 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 Group. The Company has no non-centralised process for managing its own capital. Disclosures relating to the Santander UK Group'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 Group, comprises share capital and reserves which can be found in the Balance Sheet on page 6.

12 Parent undertaking and controlling party

The Company's immediate parent company is Abbey National Legacy Holdings Limited, a company registered in England and Wales.

ABBHEY NATIONAL LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

The Company's ultimate parent undertaking and controlling party is Banco Santander S A , a company registered 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 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.