

**ABBEY NATIONAL BUSINESS  
CASHFLOW FINANCE LIMITED**

**Registered in England and Wales  
No. 1360153**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2008**

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# **ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

## **Report of the directors**

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

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 business review**

The principal activity of the Company is the provision of debt factoring services. The Directors decided not to write any new business in 2004 and for the foreseeable future.

The directors do not envisage having to close down this entity.

## **Results and dividends**

The profit for the year on ordinary activities after taxation amounted to £183,353 (2007: profit £229,098).

No interim dividend has been paid in the current or prior year. The Directors do not recommend the payment of a final dividend in 2008 (2007: £nil).

## **Directors**

The Directors who served throughout the year were:

M C Jackson  
A T Rougier

## **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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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 BUSINESS CASHFLOW FINANCE LIMITED**

## **Report of the Directors (continued)**

### **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 18 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 and liquidity risk are set out in note 2 to the financial statements.

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 in preparing the annual report and accounts.

### **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 & 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 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 in order 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

13 February 2009

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

## **Independent auditors' report to the members of Abbey National Business Cashflow Finance Limited**

We have audited the financial statements of Abbey National Business Cashflow Finance Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense, and the related notes 1 to 19. 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 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  
13 February 2009

# **ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

## **Income Statement**

For the year ended 31 December 2008

<b>Continuing Operations</b>	<b>Notes</b>	<b>Year ended</b>	<b>Year ended</b>
		<b>31 December 2008</b>	<b>31 December 2007</b>
		<b>£</b>	<b>£</b>
Other operating income	3	-	41,181
Administrative expenses		-	(3)
Profit from operations	4	-	41,178
Interest income	7	256,429	289,829
Profit before tax		256,429	331,007
Tax	8	(73,076)	(101,909)
<b>Profit attributable to equity holders of the company</b>	<b>14</b>	<b>183,353</b>	<b>229,098</b>

The accompanying notes form an integral part of the accounts.

## **Statement of Recognised Income and Expense**

For the year ended 31 December 2008

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 BUSINESS CASHFLOW FINANCE LIMITED


## Balance Sheet

As at 31 December 2008

	Notes	2008 £	2007 £
<b>Non-current assets</b>			
Deferred tax assets	9	32,065	38,089
<b>Total non-current assets</b>		<b>32,065</b>	<b>38,089</b>
<b>Current assets</b>			
Trade and other receivables	10	13,507	321,714
Cash and cash equivalents	16	5,040,624	4,670,835
<b>Total current assets</b>		<b>5,054,131</b>	<b>4,992,549</b>
<b>Current liabilities</b>			
Trade and other payables	11	-	(103,621)
Current tax liabilities		(67,052)	(91,226)
<b>Total current liabilities</b>		<b>(67,052)</b>	<b>(194,847)</b>
<b>Net current assets</b>		<b>4,987,079</b>	<b>4,797,702</b>
<b>Non-current liabilities</b>			
Other borrowings	12	(700,000)	(700,000)
<b>Net assets</b>		<b>4,319,144</b>	<b>4,135,791</b>
<b>Equity</b>			
Share capital	13	3,688,137	3,688,137
Retained earnings	14	631,007	447,654
<b>Total equity attributable to equity holders of the company</b>		<b>4,319,144</b>	<b>4,135,791</b>

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 13 February 2009. They were signed on its behalf by:

  
 M.C. JACKSON  
 Director

# **ABBAY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

## **Cash Flow Statement**

For the year ended 31 December 2008

	Note	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Net cash from/(used in) operating activities	15	369,789	(2,684,480)
Net increase/(decrease) in cash and cash equivalents		369,789	(2,684,480)
Cash and cash equivalents at beginning of year		4,670,835	7,355,315
Cash and cash equivalents at end of year	16	5,040,624	4,670,835

The accompanying notes form an integral part of the accounts.

# **ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

## **Notes to the financial statements for the year ended 31 December 2008**

### **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 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**

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.

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.

#### **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.

#### **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.

#### **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.



# ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED

## Notes to the financial statements for the year ended 31 December 2008

### 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.

### Borrowings

Borrowings are recognised initially at fair value, being the proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings 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.

Preference shares, which carry a mandatory coupon, or are redeemable on a specified date or at the option of the shareholder, are classified as financial liabilities and are presented in other borrowings. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest method.

### 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.

## 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 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 Abbey Board and is supported by the Risk Division. The roles 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, which provides 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 10 and 16 to the accounts.

# ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED

## Notes to the financial statements for the year ended 31 December 2008

### 2. Financial Risk Management (continued)

#### (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

At 31 December 2008	Demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total
Intercompany liabilities	-	-	-	-	-	-
Tax liabilities	-	-	67,052	-	-	67,052
Redeemable preference shares	700,000	-	-	-	-	700,000
<b>Total financial liabilities</b>	<b>700,000</b>	<b>-</b>	<b>67,052</b>	<b>-</b>	<b>-</b>	<b>767,052</b>

At 31 December 2007	Demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total
Intercompany liabilities	103,621	-	-	-	-	103,621
Tax liabilities	-	45,613	45,613	-	-	91,226
Redeemable preference shares	700,000	-	-	-	-	700,000
<b>Total financial liabilities</b>	<b>803,621</b>	<b>45,613</b>	<b>45,613</b>	<b>-</b>	<b>-</b>	<b>894,847</b>

### 3. Other operating income

An analysis of the company's other operating income is as follows:

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Other operating income - bad debt recovered	-	41,181

### 4. Profit from operations

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 payable to the auditors of the company for the audit of the annual accounts for the current year is £6,500 (2007: £6,500).

### 5. Staff

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

### 6. Directors' emoluments

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 Directors during the year (2007: £nil).

### 7. Interest income

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Interest on deposit with group companies	256,429	289,829
	256,429	289,829

# **ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

## **Notes to the financial statements for the year ended 31 December 2008**

### **8. Tax**

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Current tax:		
UK corporation tax:		
Current year	67,052	91,227
Adjustments in respect of prior periods	-	(1)
	67,052	91,226
Deferred tax (note 9):		
Current year	6,024	10,683
Tax charge on profit for the year	73,076	101,909

Corporation tax is calculated at 28.5% (2007: 30%) of the estimated assessable profit for the year.

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

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Profit before tax:		
Continuing operations	256,429	331,007
Tax at the UK corporation tax rate of 28.5% (2007: 30%)	73,076	99,302
Effect of change in tax rate on deferred tax provision	-	2,608
Adjustments to tax charge in respect of prior periods	-	(1)
Tax expense for the year	73,076	101,909

### **9. Deferred tax**

Deferred income taxes are calculated on temporary differences, under the liability method, using the tax rates expected to apply when the asset is realised. The effective rate for 2008 is 28% (2007: 28.1%).

The following are the major deferred tax liabilities and assets recognised by the company and the movements thereon during the current and prior year.

	Accelerated tax depreciation £	Other timing difference £	Total £
At 1 January 2007	19,123	29,649	48,772
Charge to income	(5,687)	(4,996)	(10,683)
At 31 December 2007 and 1 January 2008	13,436	24,653	38,089
Charge to income	(2,895)	(3,129)	(6,024)
At 31 December 2008	10,541	21,524	32,065

### **10. Trade and other receivables**

	2008 £	2007 £
Amounts due from group companies	13,507	321,714

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

### **11. Trade and other payables**

	2008 £	2007 £
Amounts due to group companies	-	103,621
	-	103,621

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

# **ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

## **Notes to the financial statements for the year ended 31 December 2008**

### **12. Other borrowings**

	2008 £	2007 £
<b>Authorised:</b>		
700,000 "A" 13% Redeemable preference shares	700,000	700,000
<b>Issued and fully paid:</b>		
700,000 "A" 13% Redeemable preference shares	700,000	700,000

The directors estimate the fair value of the liability component of the redeemable preference shares at 31 December 2008 to be £700,000 (2007: £700,000). This fair value has been calculated by discounting the future cash flows at the market rate.

Redeemable non-cumulative preference shares of £700,000 were issued on 31<sup>st</sup> March 1994 at an issued price of £1 per share. The shares carry 13% interest and are redeemable not earlier than 31<sup>st</sup> December 1996 and giving one months notice to redeem at £ 1 per share

### **13. Share capital**

	2008 £	2007 £
<b>Authorised:</b>		
3,688,137 ordinary shares (£1 per share)	3,688,137	3,688,137
<b>Issued and fully paid:</b>		
3,688,137 ordinary shares (£1 per share)	3,688,137	3,688,137

### **14. Retained earnings**

	£
Balance at 1 January 2007	218,556
Profit for the year	229,098
<b>Balance at 31 December 2007 and 1 January 2008</b>	<b>447,654</b>
Profit for the year	183,353
<b>Balance at 31 December 2008</b>	<b>631,007</b>

### **15. Notes to the cash flow statement**

	2008 £	2007 £
Profit before tax	256,429	331,007
Operating cash flows before movements in working capital	256,429	331,007
Decrease/(Increase) in trade and other receivables	308,207	(315,486)
(Decrease)/(Increase) in trade and other payables	(103,621)	(2,596,379)
<b>Cash generated/(used in) operations</b>	<b>461,015</b>	<b>(2,580,858)</b>
Tax paid	(91,226)	(103,622)
<b>Net cash flow from/(used in) operating activities</b>	<b>369,789</b>	<b>(2,684,480)</b>

### **16. Cash and cash equivalents**

	2008 £	2007 £
Due from banks	5,040,624	4,670,835
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>5,040,624</b>	<b>4,670,835</b>

The total presented in this note will tie back to the total cash and cash equivalents per the cash flow statement.

# ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED

## Notes to the financial statements for the year ended 31 December 2008

### 17. Related party transactions

The following were the balances with related parties as at 31 December 2008 and 31 December 2007.

	2008 £	2007 £
<b>Amounts due from group companies</b>		
Abbey National plc – Trade receivables	13,507	321,714
Abbey National plc – Bank deposits	5,040,624	4,670,835
<b>Amounts due to group companies</b>		
Abbey National plc – Trade payables	-	103,621
Abbey National plc – Redeemable preference shares	700,000	700,000
<b>Interest income</b>		
Abbey National plc	256,429	289,829

Other than transactions disclosed in the accounts, transactions with related parties also included the settlement of group relief balances with the Company's immediate UK parent company.

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

## **ABBEY NATIONAL BUSINESS CASHFLOW FINANCE LIMITED**

### **Notes to the financial statements for the year ended 31 December 2008**

#### **18. 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.

#### **19. 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 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.