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**ABBNEY NATIONAL NORTH AMERICA LLC**  
**BRANCH ACCOUNTS**

**FOR THE YEAR ENDED**  
**31 DECEMBER 2009**

**Registered in England and Wales No. BR006622**

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COMPANIES HOUSE

ABBEY NATIONAL NORTH AMERICA LLC

**Income Statement**

For the year ended 31 December 2009

	Notes	2009 US\$	2008 US\$
Net income	2	-	-
Fees and commissions		-	20,030
Foreign Exchange gains/losses		1,242	(2,800)
(Loss)/Profit before tax		1,242	17,230
Tax	3	27,545	(4,911)
<b>Profit for the year</b>		<b>28,787</b>	<b>12,319</b>

**Balance Sheet**

At 31 December 2009

	Notes	2009 US\$	2008 US\$
<b>Current assets</b>			
Financial assets held at fair value through profit and loss	4	10,310,214,170	6,132,768,427
Receivables	5	2,504,993	8,850,571
Cash at bank		1,842	18,371
Tax		22,636	-
<b>Total assets</b>		<b>10,312,743,641</b>	<b>6,141,637,369</b>
<b>Current liabilities</b>			
Financial liabilities held at fair value through profit and loss	6	(10,312,857,882)	(6,136,793,399)
Payables	7	-	(4,982,087)
Bank overdraft		-	-
Tax		-	(4,911)
<b>Total liabilities</b>			<b>(6,141,780,397)</b>
<b>Net current liabilities</b>		<b>(114,241)</b>	<b>(143,028)</b>
<b>Net liabilities</b>		<b>(114,241)</b>	<b>(143,028)</b>
<b>Equity</b>			
Capital contribution	8	1,000	1,000
Retained earnings	9	(115,241)	(144,028)
<b>Total equity</b>		<b>(114,241)</b>	<b>(143,028)</b>

The financial statements were approved by the board of directors on 19 April 2009

They were signed on its behalf by *Mark Jackson*

Director *M. L. Jackson*

## ABBEY NATIONAL NORTH AMERICA LLC

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Accounting policies

##### Basis of preparation and presentation

These summary financial statements have been prepared so as to fairly present the results of the Branch for the financial period and the state of affairs of the Branch at the end of the year. The accounting policies adopted are consistent with those used in the preparation of the financial statements of Abbey National Treasury Services plc for the year ended 31 December 2009.

The management of the Branch are responsible for keeping the accounting records which are sufficient to show and explain the transactions and disclose with reasonable accuracy the financial position of the Branch at any time.

The management are also responsible for safeguarding the assets of the Branch and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

##### Revenue recognition

###### a) Fees and commissions

Fees and commissions receivable or payable in respect of services provided are taken to the profit and loss account when the services related are performed.

###### b) Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held for trading are recorded at fair value. Changes in fair value of assets and liabilities held for trading are recognised in the income statement as net income or expense together with dividends and interest receivable and payable.

##### Financial assets and liabilities held at fair value through profit or loss

###### a) Financial assets held at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short term profit taking or it is a derivative financial instrument (derivative).

The assets are derecognised when the rights to receive cash flows have expired or the Branch has transferred substantially all the risks and rewards of ownership.

###### b) Financial liabilities held at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading. A financial liability is classified as held for trading if it is a derivative or is incurred principally for the purpose of selling or being unwound in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short term profit taking.

#### 2 Net income

	2009 US\$	2008 US\$
Interest receivable from group undertakings	21,202,383	170,429,893
Interest paid on deposits placed by banks	(21,202,383)	(170,429,893)
	-	-

# ABBEY NATIONAL NORTH AMERICA LLC

## NOTES TO THE FINANCIAL STATEMENTS

### 3 Tax

	2009 US\$	2008 US\$
UK corporation tax	(348)	(4,911)
Prior year UK corporation tax	27,893	-
<b>Total tax</b>	<b>27,545</b>	<b>(4,911)</b>

Corporation tax is calculated at 28% (2008 28.5%) of the assessable profit for the year

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions

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

	2009 US\$	2008 US\$
(Loss)/Profit before tax	1,242	17,230
Tax at the UK corporation tax rate of 28% (2008 28.5%)	(348)	(4,911)
Prior year tax	27,893	-
<b>Tax credit/(charge) for the year</b>	<b>27,545</b>	<b>(4,911)</b>

### 4 Financial assets held at fair value through profit or loss

	2009 US\$	2008 US\$
<b>Amounts due in less than one year</b>		
Amounts due from group undertakings	10,310,214,170	6,132,768,427

### 5 Receivables

	2009 US\$	2008 US\$
<b>Amounts due in less than one year</b>		
Trade receivables	2,504,993	8,850,571

The Directors consider that the carrying amount of receivables representing amounts due from group entities approximates to their fair value

Trade receivables of US\$2,504,993 (2008 US\$8,850,571) is expected to be recovered or settled within 3 months

### 6 Financial liabilities held at fair value through profit or loss

	2009 US\$	2008 US\$
<b>Amounts due in less than one year</b>		
Deposits by banks	10,312,857,882	6,136,793,399

### 7 Payables

	2009 US\$	2008 US\$
<b>Amounts due in less than one year</b>		
Amounts due to group undertakings	-	4,982,087

The Directors consider that the carrying amount of payables representing due to group undertakings approximates to their fair value

## ABBEY NATIONAL NORTH AMERICA LLC

### NOTES TO THE FINANCIAL STATEMENTS

#### 8 Capital contribution

	2009	2008
	US\$	US\$
Capital contribution	1,000	1,000

#### 9 Retained earnings

	US\$
Balance at 1 January 2008	(156,347)
Net profit attributable to the parent	12,319
Balance at 1 January 2009	(144,028)
Net profit attributable to the parent	28,787
Balance at 31 December 2009	(115,241)

#### 10 Parent undertaking and controlling party

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

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 the group accounts are drawn up and of which the Company is a member.

Copies of all sets of group accounts, which include the results of the Company, are available from Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London NW1 3AN