

**Deloitte
Haskins+Sells**

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ABBAY NATIONAL PLC

REPORT AND ACCOUNTS
For the period 12 September 1988 to
31 March 1989



ABBEY NATIONAL PLC

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report for the period from incorporation on 12 September 1988 to 31 March 1989.

PRINCIPAL ACTIVITIES

The company has not traded since its incorporation.

DIRECTORS AND THEIR INTERESTS

The directors of the company are as follows:

B J Ellis	(Appointed 12 September 1988, Resigned 28 February 1989)
I K Treacy	(Appointed 12 September 1988, Resigned 28 February 1989)
N Wilkes	(Appointed 12 September 1988, Resigned 28 February 1989)
Sir C Adamson	(Appointed 28 February 1989)
R J Baglin	(Appointed 28 February 1989)
J Bayliss	(Appointed 28 February 1989)
P G Birch	(Appointed 28 February 1989)
P A Davis	(Appointed 28 February 1989)
J M Fry	(Appointed 28 February 1989)
Sir J Garlick	(Appointed 28 February 1989)
M A Heap	(Appointed 28 February 1989)
Sir M Humphreys	(Appointed 28 February 1989)
Dame J Jenkins	(Appointed 28 February 1989)
M E Llowarch	(Appointed 28 February 1989)
S A S F Morrison	(Appointed 28 February 1989)
J E H Rees	(Appointed 28 February 1989)
J Rowe	(Appointed 28 February 1989)
J M Tyrrell	(Appointed 28 February 1989)
C N Villiers	(Appointed 28 February 1989)

On incorporation, the company issued 50,000 ordinary shares of £1 each.

SHARE CAPITAL

On 28 February 1989 certain changes took place in the share capital which are fully disclosed in Note 4 to the accounts.

TRANSFER OF ABBEY NATIONAL BUILDING SOCIETY BUSINESS

The company entered into a conditional agreement with Abbey National Building Society on 1 March 1989 to transfer the business of the Society to the company.

AUDITORS

Deloitte Haskins & Sells were appointed auditors of the company by the board on 13 September 1988.

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD

B J ELLIS
Secretary

23 May 1989

AUDITORS' REPORT TO THE MEMBERS OF
ABBEY NATIONAL PLC

We have audited the accounts on pages 3 and 4 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1989 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte Haskins & Sells

DELOITTE HASKINS & SELLS
Chartered Accountants
London

13 June 1989

ABBEY NATIONAL PLC

BALANCE SHEET

As at 31 March 1989

	Notes	£000
CURRENT ASSETS		
Debtors	3	56,000 =====
CAPITAL AND RESERVES		
Called-up share capital	4	56,000 =====

The company was dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the period ended 31 March 1989.

The accounts on pages 3 and 4 were approved
by the board of directors on 23 May 1989
and signed on its behalf by:

Angela Adams
Reg. D. D.
Directors

ABBEY NATIONAL PLC

NOTES TO THE ACCOUNTS

For the period ended 31 March 1989

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historic cost convention.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the period and, accordingly, it made neither a profit nor a loss. Therefore, no profit and loss account is attached.

3. DEBTORS

£000

Amount due from the Abbey National Building Society	56,000
	=====

4. SHARE CAPITAL

£000

Authorised, allotted and issued: 560,000,000 Ordinary shares of 10p each	56,000
	=====

Called-up: 560,000,000 Ordinary shares	56,000
	=====

On 12 September 1988, the date of incorporation, 50,000 Ordinary shares of £1 each were allotted.

On 28 February 1989 the following changes took place:

- (a) The shares were sub-divided to 10p shares.
- (b) It was resolved by the board that the company increase its authorised share capital and allot 559,500,000 fully paid Ordinary shares of 10p each in the capital of the company to the Abbey National Building Society and that demand for payment of the remaining nominal value would be made when the board was satisfied that the transfer of the business of the Society to the company would be effected pursuant to the provisions of the Building Societies Act 1986.

5. ULTIMATE HOLDING COMPANY

The entire share capital of the company is owned by Abbey National Building Society, which is incorporated in Great Britain under the Building Societies Act 1986.