

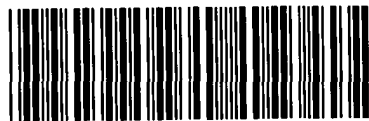
ABBEY NATIONAL NOMINEES LIMITED

Registered in England and Wales
Company Number 02516674

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2018

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REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2018.

This Report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions under Sections 415A (1) & (2) of the Companies Act 2006. The Company is also exempt from preparing a Strategic Report in accordance with Section 414B of the Companies Act 2006.

Abbey National Nominees Limited (the Company) is a private limited liability company with its liability limited by shares and is incorporated and domiciled in the United Kingdom.

Principal activities and review of the year

The principal activity of the Company is to act as a Nominee shareholder and Trustee of Abbey National Retirement Fund. No financial transactions associated with that role arose during the year.

During the year, the Company received a dividend payment from Cater Allen Syndicate Management Limited (CASM). Subsequent to this, the equity share held in CASM was transferred to Santander Equity Investments Limited.

Prior to the current year, the Company was dormant and has not traded since incorporation.

Results and dividends

The Company made a profit after tax in the current year of £15 (2017: £nil). The directors do not recommend the payment of a final dividend (2017: £nil).

Directors

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

AR Honey
RJ Morrison

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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.

The Directors 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.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

REPORT OF THE DIRECTORS (continued)

Statement of going concern

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 3 and 10 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The Company is part of the Santander UK Group. The Company is reliant on other companies in the Santander UK Group for a significant proportion of its funding. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors of the Company have been provided with a letter of support by a group company, confirming the group company will provide support to the Company for a period of 12 months from the date of signing these financial statements.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the period of 12 months from the date the financial statements are authorised for issue. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

The process for the UK leaving the EU impacts the economic, legal and regulatory environment across the financial services industry. The Santander UK group has put in place appropriate plans to address the potential risks and will update and implement in this Company as necessary.

Qualifying third party indemnities

Enhanced indemnities are provided to the directors of the Company by Santander UK Group Holdings 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 during the financial year and at the date of approval of the Report and Financial Statements. All of the indemnities were qualifying third party indemnities. A copy of each of the indemnities is kept at the registered office address of Santander UK Group Holdings plc.

Independent Auditors

Each of the Directors as at the date of approval of this report has confirmed 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 the steps that he/she ought to have taken as a Director in order 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.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the Company's forthcoming annual general meeting.

By Order of the Board



Rachel Morrison

For and on behalf of

Santander Secretariat Services Limited
Secretary

10 September 2019

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

Independent auditors' report to the members of Abbey National Nominees Limited

Report on the audit of the financial statements

Opinion

In our opinion, Abbey National Nominees Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, the cash flow statement, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 31 December 2017, forming the corresponding figures of the financial statements for the year ended 31 December 2018, are unaudited.



Timothy Lawrence (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

11 September 2019

STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

	Note	2018 £	2017 £
Investment income		15	-
PROFIT BEFORE TAX	4	15	-
Tax	6	-	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		15	-

There is no other comprehensive income or expense in either the current or previous financial year other than the profit of £15 (2017: nil) as set out in the Statement of Comprehensive Income above.

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

STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

	Share Capital £	Retained earnings £	Total equity £
At 1 January 2017	2	-	2
Result for the financial year and total comprehensive income	-	-	-
At 31 December 2017 and 1 January 2018	2	-	2
Profit for the financial year and total comprehensive income	-	15	15
At 31 December 2018	2	15	17

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

BALANCE SHEET

As at 31 December

	Note	2018 £	2017 (restated)* £
Current assets			
Financial assets: equity instruments at FVTPL	7	1	2
Financial assets at amortised cost – Amounts due from group companies	8	16	-
Total assets		17	2
Equity			
Share capital	9	2	2
Retained earnings		15	-
Total equity		17	2

* Refer to notes 7 and 8.

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

The financial statements were approved by the Board of Directors and were signed on its behalf by:



Rachel Morrison
Director
10 September 2019

For the years ended 31 December

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Abbey National Nominees Limited is a company incorporated in the United Kingdom. The nature of the Company's operations and its principal activities are set out in the Report of the Directors.

The functional and presentation currency of the Company is sterling.

Basis of preparation

The financial statements of Abbey National Nominees Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss (as applicable).

The financial statements have been prepared under the historical cost convention and on a going concern basis as disclosed in the Directors' statement of going concern set out in the Report of the Directors.

The presentation of the balance sheet for the prior year was restated to recognise the investments held in both Cater Allen Syndicate Management Limited and Santander Guarantee Company. As a result of the presentation changes, a transfer of £2 was made from Financial assets at amortised cost – Amounts due from group companies to Financial assets: equity instruments at FVTPL.

Recent accounting developments

On 1 January 2018, the Company adopted IFRS 9 'Financial Instruments' (IFRS 9) and IFRS 15 'Revenue from Contracts with Customers' (IFRS 15). The new or revised accounting policies are set out below.

The accounting policy changes for IFRS 9, set out below, have been applied from 1 January 2018. Comparatives have not been restated. As a result of the change from IAS 39 to IFRS 9, some disclosures presented in respect of certain financial assets are not comparable because their classification may have changed between the two standards. This means that some IFRS 9 disclosures are not directly comparable and some disclosures that relate to information presented on an IAS 39 basis are no longer relevant in the current period.

The classification and measurement changes to financial assets that arose on adoption of IFRS 9 have been aligned to the presentation in the balance sheet.

The application of IFRS 15 had no material impact on the Company as there were no significant changes in the recognition of in scope income.

Future accounting developments

At 31 December 2018, the Company had not yet adopted the following significant new or revised standards and interpretations, and amendments thereto, which have been issued but which are not yet effective:

- IFRS 16 'Leases' (IFRS 16) – In January 2016, the IASB issued IFRS 16. The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessee accounting, IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise a right-of-use (ROU) asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements from the existing leasing standard (IAS 17) and a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently. The application of IFRS 16 is not expected to have any impact on the company.

Investment income

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

Financial assets and liabilities

Initial recognition and measurement

Financial assets and liabilities are initially recognised when the Company becomes a party to the contractual terms of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition and measures a financial asset or financial liability at its fair value.

Classification and subsequent measurement

From 1 January 2018, the Company has applied IFRS 9 Financial Instruments and classifies its financial assets in the measurement categories of fair value through profit and loss (FVTPL) and amortised cost. This had no impact on the reported balances. The reclassification from amortised cost to FVTPL was undertaken to achieve a fairer presentation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)

Financial assets: equity instruments at FVTPL

Equity instruments are instruments that meet the definition of equity from the issuer's perspective being instruments that do not contain a contractual obligation to pay cash and that evidence a residual interest in the issuer's net assets. The Company measures all of its equity investments at FVTPL. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the right to receive payments is established.

Financial assets at amortised cost

Amounts due from group companies are subsequently measured at amortised cost.

Income taxes

The tax expense represents the sum of the income tax currently payable.

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 liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2. CRITICAL ACCOUNTING POLICIES AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT

The preparation of the Company's financial statements requires management to make judgements and accounting estimates that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Management evaluates its judgements and accounting estimates, which are based on historical experience and on other factors that are believed to be reasonable under the circumstances, on an on-going basis. Actual results may differ from these estimates under different assumptions or conditions.

In the course of preparing the financial statements, no significant judgements have been made in the process of applying the Company's accounting policies.

3. 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 Santander UK Group. Authority flows from the Santander UK 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.

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.

Credit risk arising from intercompany balances are not considered significant. The maximum exposure to credit risk is the carrying amount of the amounts owed by group companies as disclosed in note 8.

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 with the support of its parent Santander UK plc, ensuring that the Company can meet its obligations as they fall due.

As at 31 December 2018, the Company held no liabilities on its balance sheet (2017: nil).

4. PROFIT BEFORE TAX

The audit fee for the current year of £5,500 has been paid on the Company's behalf by the parent company, Santander UK plc for which no recharge has been made. There was no audit fee for the prior year as the company was unaudited.

No non-audit fees were incurred in either the current or preceding year.

There were no employees in either the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. DIRECTORS' EMOLUMENTS

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by fellow group company, Santander UK plc. The Directors' services to the Company are an incidental part of their duties. No emoluments were paid by the Company to the Directors during the year (2017: £nil).

6. TAX

	2018 £	2017 £
Current tax:		
UK corporation tax on profit of the year	-	-
Tax charge on profit for the year	-	-

UK corporation tax is calculated at 19.00% (2017: 19.25%) of the estimated assessable profits for the year.

The Finance Act 2016 introduced a further reduction in the corporation tax rate to 17% from 2020. The effects have been reflected in the deferred tax balances at both 31 December 2018 and 2017.

The tax on the Company's profit before tax is lower from (2017: the same as) the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2018 £	2017 £
Profit before tax	15	-
Tax calculated at a rate of 19.00% (2017: 19.25%)	3	-
Non taxable income	(3)	-
Tax charge for the year	-	-

7. FINANCIAL ASSETS: EQUITY INSTRUMENTS AT FVTPL

Investments

	£
As at 1 January 2017 & 1 January 2018 (*)	2
Disposal of equity shares to fellow group company	(1)
Total investments as at 31 December 2018	1

During May 2018, the single equity share held in Cater Allen Syndicate Management Limited was transferred to a fellow group company, Santander Equity Investments Limited. Also during the year, the Company's one share investment in Abbey Business Services (India) Private Limited of R10 (£0.11) was transferred to a fellow group company, ANITCO Limited.

Name of investment	Place of incorporation ownership (or registration) and operation	Proportion of ownership interest %	Ultimate Proportion of Ownership %
Directly held:			
Santander Guarantee Company	England and Wales	-	-

The registered office address of Santander Guarantee Company is 2 Triton Square, Regent's Place, London, NW1 3AN.

*The presentation of the balance sheet for the prior year was restated to recognise the investments held in both Cater Allen Syndicate Management Limited and Santander Guarantee Company. As a result of the presentation changes, a transfer of £2 was made from Financial assets at amortised cost – Amounts due from group companies to Financial assets: equity instruments at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. FINANCIAL ASSETS AT AMORTISED COST

The following financial assets at amortised cost consist of balances with related parties at 31 December 2018 and 31 December 2017.

	Income		Amounts due from group companies	
	2018	2017	2018	2017 (restated*)
	£	£	£	£
Santander UK Group Holdings plc	-	-	1	-
Cater Allen Syndicate Management Limited	15	-	-	-
Santander UK plc	-	-	15	-
	15	-	16	-

* Amounts due from group companies for the prior year were restated as a result of recognition of the two investments detailed under note 7. Consequently, amounts due from group companies at 31 December 2017 was restated from £2 to £nil. IAS 1 requires that where a prior period restatement impacts the balance of retained earnings as at the start of the comparative period (1 January 2017), a third balance sheet should be presented. The directors have concluded that, as the restatement does not impact retained earnings, presentation of a third balance sheet is not necessary.

Amounts owed by related parties are unsecured, repayable on demand and do not incur interest.

9. SHARE CAPITAL

	2018 £	2017 £
Authorised, issued and fully paid:		
2 (2017: 2) ordinary shares of £1.00 each	2	2

10. CAPITAL MANAGEMENT AND RESOURCES

The Company's immediate UK parent company Santander UK plc adopts a centralised capital management approach, based in an assessment of both regulatory requirements and the economic capital impacts of businesses in the Santander UK plc group. Disclosures relating to the Group's capital management can be found in the Santander UK plc Annual Report which does not form part of this Report.

11. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Santander UK plc.

The Company's ultimate parent undertaking and controlling party is Banco Santander SA, a company incorporated in Spain. Banco Santander SA is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Santander UK plc is the parent undertaking of the smallest group of undertakings for which the group financial statements are drawn up and of which the Company is a member.

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