REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 December 2016.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

Principal Activity and review of the year

The principal activity of Santander Cards Limited (the Company) was previously the provision of credit card services and related financial products.

During 2014, the trade and net assets of the Company were transferred to its parent, Santander UK plc. Since this date the Company has not engaged in any further trading activities. It has however continued to accrue for interest receivable on a loan with its parent company. The financial statements have therefore been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the entity's assets to net realisable value. The financial statements do not include any provision for future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting year. It is the intention of the directors to liquidate the entity in the near future.

Results and Dividends

The profit for the year amounted to £0.4m (2015: £0.4m). The directors do not recommend the payment of a final dividend (2015: £nil).

Directors

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

J Olaizola	(appointed 12 April 2016)
J de la Vega	(resigned 31 March 2016)
ND Wren	(resigned 20 January 2016)
R Attar-Zadeh	

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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 these financial statements, the directors are required to:

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

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. 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 trade and net assets of the Company were transferred to its parent, Santander UK plc, on 1 April 2014. As discussed under the principal activity, the Company has not engaged in any further trading activity since the date of the asset transfer. The financial statements have therefore been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the entity's assets to net realisable value. The financial statements do not include any provision for future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting year. The parent has provided a formal letter of support to the Company, confirming that support will be provided to allow the company to meet its obligations as they fall due. It is the intention of the directors to liquidate the company in the near future.

Qualifying 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 were 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 plc.

REPORT OF THE DIRECTORS *(continued)*

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 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.

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under Section 487(2) of the Companies Act 2006.

By Order of the Board

For and on behalf of
Santander Secretariat Services Limited
Secretary

21 April 2017

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANTANDER CARDS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Santander's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. The entity ceased trading during 2014 and will be liquidated in the near future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. Adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the Directors. We have nothing to report in this respect.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANTANDER CARDS LIMITED *(continued)*

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Report of the Directors, we consider whether those reports include the disclosures required by applicable legal requirements.

HAnderson

Hamish Anderson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 April 2017

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	2016 £m	2015 £m
Interest and similar income		0.5	0.5
Net interest income	3	0.5	0.5
Profit before tax		0.5	0.5
Tax	6	(0.1)	(0.1)
Profit attributable to the equity holders of the Company		0.4	0.4

All amounts above relate to discontinued operations.

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

The Company has no comprehensive income or expenses attributable to the equity holders other than the profit of £0.4m (2015: £0.4m) for the current and previous year.

BALANCE SHEET

As at 31 December

	Notes	2016 £m	2015 £m
Assets			
Amounts owed by Group undertakings	7,9	93.0	92.5
Total assets		93.0	92.5
Liabilities			
Amounts owed to Group undertakings	7,9	0.3	0.2
Total liabilities		0.3	0.2
Equity			
Share capital	8	82.0	82.0
Retained earnings		10.7	10.3
Total equity		92.7	92.3
Total liabilities and equity		93.0	92.5

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

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

Reza Attar-Zadeh
Director
21 April 2017

CASH FLOW STATEMENT

For the year ended 31 December

	2016 £m	2015 £m
Profit before tax	0.5	0.5
Net cash inflow from trading activities	0.5	0.5
Increase in amounts owed by group undertakings	(0.5)	(0.5)
Cash generated from operations	(0.5)	(0.5)
Net cash movement from operating activities	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

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

Cash and cash equivalents comprise loans and advances to banks.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

	Share Capital £m	Retained earnings £m	Total Equity £m
Balance at 1 January 2015	82.0	9.9	91.9
Profit for the year	-	0.4	0.4
Balance at 31 December 2015 and 1 January 2016	82.0	10.3	92.3
Profit for the year	-	0.4	0.4
Balance at 31 December 2016	82.0	10.7	92.7

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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.

General information

The Company is a limited liability company, domiciled and incorporated in the United Kingdom and is part of Santander UK Group Holdings plc whose ultimate parent is Banco Santander SA. The registered office address of the Company is 2 Triton Square, Regent's Place, London NW1 3AN.

Basis of preparation

The financial statements of Santander Cards 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 historical cost convention and subsequently measured at net realisable value.
The functional and presentation currency of the Company is sterling.

Going Concern

The Company has the ability to continue in existence for the foreseeable future and to meet all of its obligations as they fall due, with the aid of support from its parent company. However, IAS 1 requires that financial statements for any Company that has ceased to trade or where there is an intention for the Company to cease to trade in the next twelve months are prepared on an "other than going concern" basis. Accordingly the financial statements have been prepared on an "other than going concern" basis. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported. It is the intention of the directors to liquidate the company in the near future.

Future accounting developments

The Company has 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:

a) IFRS 9 'Financial Instruments' (IFRS 9) – In July 2014, the International Accounting Standards Board (IASB) approved IFRS 9 to replace IAS 39 'Financial Instruments: Recognition and Measurement', in accordance with the guidelines which were prepared during the G-20 meeting in April 2009.

IFRS 9 sets out the requirements for recognition and measurement of both financial instruments and certain types of contracts for the sale of non-financial items. The main new developments of the standard are discussed below.

Classification and measurement of financial assets and financial liabilities: Under IFRS 9, financial assets are classified on the basis of the business model within which they are held and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. For many financial assets, the classification and measurement outcomes will be similar to IAS 39. However, under IFRS 9, embedded derivatives are not separated from host financial assets and equity securities are measured at fair value either through profit or loss or, in certain circumstances, an irrevocable election may be made to present fair value movements in other comprehensive income. The requirements for the classification and measurement of financial liabilities were carried forward unchanged from IAS 39, however, the requirements relating to the fair value option for financial liabilities were changed to address own credit risk and, in particular, the presentation of gains and losses within other comprehensive income.

Impairment: IFRS 9 introduces fundamental changes to the impairment of financial assets measured at amortised cost or at fair value through other comprehensive income, lease receivables and certain commitments to extend credit and financial guarantee contracts. It is no longer necessary for losses to be incurred before credit losses are recognised. Instead, under IFRS 9, an entity always accounts for expected credit losses (ECLs), and any changes in those ECLs. The ECL approach must reflect both current and forecast changes in macroeconomic data over a horizon that extends from 12 months to the remaining life of the asset if a borrower's credit risk is deemed to have deteriorated significantly at the reporting date compared to the origination date. These macroeconomic forecasts are required to be unbiased and probability weighted amounts determined by evaluating a range of possible outcomes and considering reasonable and supportable information at the reporting date. Similar to the current incurred credit loss provisioning approach, management will exercise judgement as to whether additional adjustments are required in order to adequately reflect possible events or current conditions that could affect credit risk.

For financial assets, an ECL is the current value of the difference between the contractual cash flows owed to the entity according to the contract and the cash flows which the entity expects to receive. For undrawn loan commitments, an ECL is the current value of the difference between the contractual cash flows owed to the entity and the cash flows which the entity expects to receive if the loan is drawn.

An assessment of each facilities' credit risk profile will determine whether they are to be allocated to one of three stages:

- Stage 1: when it is deemed there has been no significant increase in credit risk since initial recognition, a loss allowance equal to a 12-month ECL – i.e. the proportion of lifetime expected losses resulting from possible default events within a the next 12-months - will be applied;
- Stage 2: when it is deemed there has been a significant increase in credit risk since initial recognition, but no credit impairment has materialised, a loss allowance equal to the lifetime ECL – i.e. lifetime expected loss resulting from all possible defaults throughout the residual life of a facility – will be applied; and

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. ACCOUNTING POLICIES *(continued)*

Future accounting developments *(continued)*

- Stage 3: when it has been deemed there has been a significant increase in credit risk since initial recognition, and the facility is considered credit impaired, a loss allowance equal to the lifetime ECL will be applied. Similar to incurred losses under IAS 39, objective evidence of credit impairment is required.

The assessment of whether a significant increase in credit risk has occurred since initial recognition involves the application of both quantitative measures and qualitative factors, and requires management judgement.

Transition: IFRS 9 has been endorsed for use in the European Union. The mandatory effective date of IFRS 9 is 1 January 2018. The classification and measurement and impairment requirements will be applied retrospectively by adjusting the opening balance sheet at the date of initial application. There is no requirement to restate comparative information. The Company is assessing the likely impacts of the new financial asset classification & measurement and impairment requirements. Upon the satisfactory completion of this work, including formal testing of the ECL models during 2017, the Company will quantify the indicative impact when that information is known or reasonably estimable, and by no later than the end of 2017. It is not yet practicable to quantify the effect of IFRS 9 in these Financial Statements.

b) IFRS 15 'Revenue from Contracts with Customers' (IFRS 15) – In May 2014, the IASB issued IFRS 15. The effective date of IFRS 15 is 1 January 2018. The standard establishes the principles that shall be applied in connection with revenue from contracts with customers including the core principle that the recognition of revenue must depict the transfer of promised goods or services to customers in an amount that reflects the entitlement to consideration in exchange for those goods and services. IFRS 15 applies to all contracts with customers but does not apply to lease contracts, insurance contracts, financial instruments and certain non-monetary exchanges. It is expected that a significant proportion of the Santander UK group's revenue will be outside the scope of IFRS 15. The impact of the standard is currently being assessed, however, it is not yet practicable to quantify the effect of IFRS 15 on these Financial Statements.

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.

Income taxes, including deferred 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. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is the tax expected to be payable or recoverable on income tax losses available to carry forward and on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the assets may be utilised as they reverse. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill. Deferred tax assets and liabilities are not recognised from the initial recognition of other assets (other than in a business combination) and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents interest receivable on the amounts owed by Santander UK plc.

Interest income

Interest income and bank deposit interest are accounted for on an accruals basis and the interest income recorded is based on the Effective Interest rate principles of IAS 39.

Financial liabilities

Financial liabilities are initially recognised when the Company becomes contractually bound to the transfer of economic benefits in the future. All financial liabilities are initially recognised at fair value net of transaction costs incurred. They are subsequently stated at amortised cost and the redemption value is recognised in the income statement over the period of the liability using the effective interest method.

2. FINANCIAL RISK MANAGEMENT

As a result of its normal business activities, the Company is exposed to a variety of risks, the most significant of which are credit risk and liquidity risk. The Company manages its risk in line with the central risk management function of the Santander UK plc Group. Santander UK plc Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK plc 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 specific individuals. Formal standing committees are maintained for effective management of oversight. Their authority is derived from the person they are intended to assist. Further information can be found in the Santander UK plc Annual Report which does not form part of this Annual Report.

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. The main source of credit risk is in the intercompany balances held. No collateral is held as security. Intercompany balances are considered to be low risk and the significance of credit risk to the Company is small.

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. Liquidity risk is managed with assistance from its parent company, for whom has provided to the Company a formal letter of support. This ensures that the Company will have sufficient liquid resources to ensure it can meet its obligations as they fall due

Total liabilities consist of £0.3m (2015: £0.2m) and comprises amounts owed to Abbey National Treasury Services plc for group relief and is repayable on demand.

3. NET INTEREST INCOME

Interest and similar income:	2016 £m	2015 £m
Interest on intra group loans	0.5	0.5
Net interest income	0.5	0.5

4. AUDIT FEES

Fees payable to the Company's auditors for the statutory audit of the Company's annual financial statements for the current year of £5,000 (2015: £43,736) was borne by the intermediate UK parent company Santander UK plc in the current and the preceding year.

Fees payable to the Company's auditors and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent undertaking are required to disclose such fees on a consolidated basis.

The Company had no employees in the current year (2015: nil).

5. DIRECTORS' EMOLUMENTS AND INTERESTS

No directors were remunerated for their services to the Company. Directors' emoluments are borne by the ultimate UK parent 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 (2015: £nil).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6. TAX

	2016 £m	2015 £m
Current tax:		
UK corporation tax on profit of the year	0.1	0.1
Total tax charge on profit for the year	0.1	0.1

UK corporation tax is calculated at 20% (2015: 20.25%) of the estimated assessable profits for the year. The standard rate of UK corporation tax was reduced from 21% to 20% with effect from 1 April 2015.

The Finance (No. 2) Act 2015, which provides for reductions in the main rate of UK corporation tax to 19% effective from 1 April 2017 and to 18% from 1 April 2020 was enacted on 18 November 2015.

The Finance Act 2016, which was substantively enacted on 6 September 2016, introduced a further reduction in the corporation tax rate to 17% from 2020.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2016 £m	2015 £m
Profit before tax:	0.5	0.5
Tax calculated at a tax rate of 20% (2015: 20.25%)	0.1	0.1
Tax charge for the year	0.1	0.1

7. BALANCES WITH GROUP UNDERTAKINGS

	2016 £m	2015 £m
Amounts owed by Group undertakings:		
Amounts owed by Santander UK plc	93.0	92.5
Maturity:		
Repayable on demand	93.0	92.5
Amounts owed to Group undertakings:		
Amounts owed to Abbey National Treasury Services plc (group relief)	0.3	0.2
Maturity:		
Repayable on demand	0.3	0.2

The directors consider that the carrying amount of balances with Group undertakings approximates to their fair value.

The interest rate applicable on the amounts owed by Santander UK plc is three month LIBOR.

Balances with group undertakings are available on demand and hence considered current and are unsecured.

8. SHARE CAPITAL

	2016 £m	2015 £m
Issued and fully paid:		
- 82,000,000 ordinary shares of £1 each	82.0	82.0

9. RELATED PARTY TRANSACTIONS

Transactions with related parties

Particulars of transactions with related parties, and the balances outstanding at the year end, are disclosed in the table below:

	Income		Expenditure		Amounts owed by related parties		Amounts owed to related parties	
Related Party	2016	2015	2016	2015	2016	2015	2016	2015
	£m	£m	£m	£m	£m	£m	£m	£m
Santander UK plc - loan and loan interest	0.5	0.5	-	-	93.0	92.5	-	-
Abbey National Treasury Services plc	-	-	-	-	-	-	0.3	0.2

During the year, the Company entered into no transactions with directors of the Company, (2015: £nil).

Amounts due to and due from related parties shown above are all unsecured. The amounts owed by Santander UK plc are interest bearing.

Amounts owed to Abbey National Treasury Services plc consists of £0.3m (2015: £0.2m) relating to current tax group relief.

10. CAPITAL MANAGEMENT AND RESOURCES

The Company's ultimate parent, Banco Santander SA adopts a centralised capital management approach, based on an assessment of both regulatory requirements and the economic capital impacts of businesses in the Santander group. The Company has no non-centralised process for managing its own capital. Disclosures relating to the group's capital management can be found in the Banco Santander SA Annual Report and financial statements.

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.

11. CONTINGENT LIABILITIES

The Company, along with certain other subsidiaries of Santander UK plc, is a party to a capital support deed dated 14 December 2012 with Santander UK plc, Abbey National Treasury Services plc and Cater Allen Limited (each a regulated entity). The Capital Support Deed supports a core UK group for the purposes of section 10 of the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) of the FS Handbook. Under section 10.8 of BIPRU, exposures of each regulated entity to other members of the core UK group, including the Company, are exempt from large exposure limits that would otherwise apply. The purpose of the Capital Support Deed is to facilitate the prompt transfer of available capital resources or repayment of liabilities to a regulated entity to ensure that a regulated entity continues to comply with requirements relating to capital resources and risk concentrations. The amount of any transfer is limited to the sum of the Company's capital resources which would not cause the value of its liabilities to exceed the value of its assets, taking into account all of its contingent and prospective liabilities. The Capital Support Deed also provides that, in certain circumstances, funding received by the Company from other parties to the Capital Support Deed becomes repayable on demand, such repayment being limited to the Company's available resources.

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Santander Cards UK Limited , a company registered in England and Wales.

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 intermediate parent undertaking of the smallest group of undertakings for which 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.