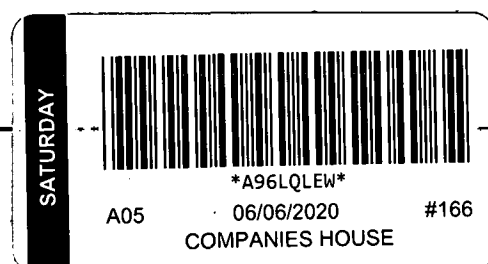


ABBEY COVERED BONDS (LM) LIMITED

Registered in England and Wales
Company Number 05365645

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2019



REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2019.

The Report of the Directors has been prepared taking into consideration the entitlement to small company's exemption from preparing a strategic report provided in section 414B (b) of the Companies Act 2006. The Company is a private limited company.

Principal activities and review of the year

The principal activity of Abbey Covered Bonds (LM) Limited (the "Company") as defined in the Securitisation Transaction document which can be found at <http://www.santander.co.uk/uk/about-santander-uk/debt-investors/santander-uk-covered-bonds> is to be a designated member of an associated limited liability partnership and earn fees for this service. The Company continued to receive fixed fee income during the year.

The Company's immediate parent company is Abbey Covered Bonds (Holdings) Limited, a company registered in England and Wales, which holds 80% of the Company's share capital. Santander UK plc, which holds 20% of the share capital, has the controlling interest in the Company.

Likely Future Developments

The Directors do not expect any significant change in the level of business in the foreseeable future.

Results and dividends

The profit for the year after tax amounted to £486 (2018: £486).

The Directors do not recommend the payment of a final dividend (2018: £nil).

Directors

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

D Wynne
T Ranger
Wilmington Trust SP Services (London) Limited

D Wynne is also a Director of Wilmington Trust SP Services (London) Limited.

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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

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.

REPORT OF THE DIRECTORS (continued)

Statement of Going Concern

The financial position of the Company, its liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 8 and 11 to the financial statements include the Company's financial risk management objectives; its exposures to credit risk and liquidity risk; and its policies and processes for managing its capital.

The Company is part of the Santander UK Group. Although the Company has net assets, it 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 Board of Santander UK plc has confirmed that it is a going concern, and that it will provide funding to the Company for the foreseeable future.

The Directors, having assessed the responses of the Directors of the Company's parent Santander UK plc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Santander UK plc and group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Santander UK plc, the Company's Directors have a reasonable expectation that the Company will be able 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.

Qualifying Third Party Indemnities

Enhanced indemnities are provided to certain Directors of the Company by Santander UK plc (where such person has been nominated in writing by Santander UK plc as its representative on the board) against liabilities and associated costs which they could incur in the course of their duties to the Company.

Enhanced indemnities are provided to the Directors of the Company who are also employees of Wilmington Trust by M&T Bank Corporation, the ultimate holding company of Wilmington Trust SP Services (London) Limited, 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 as at the date of the Annual Report and Financial Statements. A copy of each of the indemnities is kept at the registered office address of Santander UK plc and Wilmington Trust SP Services (London) Limited.

COVID-19

The Company is monitoring the impact of the COVID-19 outbreak on the financial performance of the Company.

The Company is part of the Santander UK Group, which has implemented precautionary measures and protocols based on recommendations from official health authorities, such as the World Health Organization (WHO) and Public Health England. Further such measures may need to be implemented in future, as the situation is complex and is still changing rapidly.

Given the fluidity of the situation, the Company cannot quantify the magnitude and duration of the impact of the COVID-19 outbreak at this time, although there may well be a negative impact on the 2020 financial results. However, the Company does not anticipate any significant change to the carrying value of its assets and liabilities at the reporting date. The Company will continue to monitor and assess its business operations.

Brexit and LIBOR transition

The process of the UK leaving the EU impacts the economic, legal and regulatory environment for our customers across the financial services industry. In addition, the use of LIBOR, which is expected to cease in 2021, and its transition to (near) Risk Free Reference Rates (RFR) is also a significant issue across the industry. The impact of these changes on the Company is anticipated to be limited. 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.

REPORT OF THE DIRECTORS (continued)

Statement of disclosure of information to Independent Auditors

Each of the Directors as at the date of approval of this report confirms that:

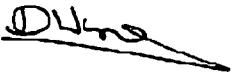
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the Company's forthcoming Annual General Meeting.

By Order of the Board



D J Wynne
For and on behalf of
Wilmington Trust SP Services (London) Limited
Secretary

1 June 2020

Registered Office Address: Wilmington Trust Sp Services (London) Limited, Third Floor, 1 King's Arms Yard, London, EC2R 7AF

Independent auditors' report to the members of Abbey Covered Bonds (LM) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Abbey Covered Bonds (LM) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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: Balance sheet as at 31 December 2019; the Statement of Comprehensive income, the Cash Flow Statement, 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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 2019 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

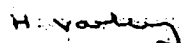
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.



Heather Varley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 June 2020

PRIMARY FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

Continuing operations	Note	2019 £	2018 £
Fee income		600	600
Profit before tax	3	600	600
Tax charge on profit for the year	4	(114)	(114)
Profit for the year after tax		486	486
Total net comprehensive income for the year		486	486

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

	Share capital £	Retained earnings £	Total Equity £
At 1 January 2018	10	6,121	6,131
Profit for the year after tax and Total comprehensive income	-	486	486
At 31 December 2018 and 1 January 2019	10	6,607	6,617
Profit for the year after tax and Total comprehensive income	-	486	486
At 31 December 2019	10	7,093	7,103

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

PRIMARY FINANCIAL STATEMENTS

BALANCE SHEET

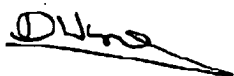
As at 31 December

	Note	2019 £	2018 £
Current assets			
Trade and other receivables	5	8,251	7,651
Current liabilities			
Trade and other payables	6	(1,034)	(920)
Corporation tax		(114)	(114)
Net assets		7,103	6,617
Equity			
Share capital	7	10	10
Retained earnings		7,093	6,607
Total equity		7,103	6,617

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

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime and the directors make this statement in accordance with section 414(3) of the Companies Act 2006.

The financial statements on pages 5 to 12 were approved by the Board of Directors on 1 June 2020 and signed on its behalf by:



D J Wynne
For and on behalf of Wilmington Trust SP Services (London) Limited

1 June 2020

PRIMARY FINANCIAL STATEMENTS

CASH FLOW STATEMENT

For the year ended 31 December

	2019 £	2018 £
Profit before tax	600	600
Increase in amounts due from group undertakings	(600)	(600)
Increase in amounts due to group undertakings	114	114
Corporation tax paid	(114)	(114)
Net cash generated in operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the presentation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

General Information

The Company is a limited liability company which is limited by shares, domiciled and incorporated in the United Kingdom and is part of a European listed group whose ultimate parent is Banco Santander SA. The registered office address of the Company is Wilmington Trust Sp Services (London) Limited, Third Floor, 1 King's Arms Yard, London, EC2R 7AF.

Basis of preparation

The financial statements 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 function and presentation currency of the Company is sterling. The financial statements have been prepared on the going concern basis using the historical cost convention. An assessment of the appropriateness of the adoption of the going concern basis of accounting is disclosed in the Directors' Statement of Going Concern set out in the Report of the Directors.

The Company has taken advantage of the entitlement to small company's exemption from preparing a strategic report provided in section 414B (b) of the Companies Act 2006.

Recent accounting developments

On 1 January 2016, the IASB issued IFRS 16 "Leases". The standard is effective for annual periods beginning on or after 1 January 2019. The accounting policy had no impact upon the Company.

In September 2019, the IASB issued Amendments to IFRS 9 'Financial Instruments'. The amendments to IFRS 9 do not apply to the Company.

Fee income

Fee income payable to Abbey Covered Bonds (LM) Limited from Abbey Covered Bonds LLP is recorded on an accruals basis as the service is provided.

Income taxes

Income tax payable on profits 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.

Financial Instruments

Financial instruments of the Company comprise amounts owed by group undertakings, and trade payables arising from the Company's operations. These instruments are recognised, classified and subsequently measured in accordance with IFRS 9.

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost. Expected credit losses are recognized on all financial assets at amortised cost. The expected credit loss considers forward looking information to recognise impairment allowances earlier in the lifecycle of a product. A three-stage approach to impairment measurement is adopted as follows:

- Stage 1 - the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;
- Stage 2 - lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition; and
- Stage 3 - lifetime expected credit losses for financial instruments which are credit impaired.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets are written off when it is reasonably certain that receivables are irrecoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2. CRITICAL ACCOUNTING JUDGEMENTS AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT

In the application of the Company's accounting policies the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have determined that the amounts owed by group undertakings requires significant judgement.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. PROFIT BEFORE TAX

Directors' emoluments

No Directors were remunerated for their services to the Company (2018: £nil). Directors' emoluments are borne by Santander UK plc and Wilmington Trust SP Services (London) Limited. No emoluments were paid by the Company to the Directors during the year (2018: £nil).

Staff costs

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

Auditors' remuneration

Fees payable to the Company's Auditors for the audit of the Company's Financial statements for the current year are £5,750 (2018: £5,500) and have been borne by Santander UK plc, for which no recharge has been made in the current or prior year.

No fees for non-audit services were paid by the Company to the auditors during the year 2019 (2018: nil).

4. TAX CHARGE ON PROFIT FOR THE YEAR

	2019 £	2018 £
Current tax:		
UK corporation tax on profit for the year	114	114
Tax charge for the year	114	114

UK corporation tax is calculated at 19% (2018: 19%) 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 tax on the Company's profit before tax is the same as (2018: same as) the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2019 £	2018 £
Profit before tax	600	600
Tax at the UK corporation tax rate of 19% (2018 19%)	114	114
Tax charge for the year	114	114

5. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Amounts owed by group undertakings	8,251	7,651
	8,251	7,651

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

6. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Amounts owed to group undertakings	1,034	920
	1,034	920

Corporation tax liabilities are settled on behalf of the Company by Santander UK plc.

7. SHARE CAPITAL

	2019 £	2018 £
Issued and fully paid share capital:		
10 (2018: 10) ordinary shares of £1 each	10	10

The proceeds from the share issue are held on behalf of the Company by Wilmington Trust SP Services (London) Limited, a group company, as disclosed in note 8.

8. 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 Santander UK plc. 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.

The process for the UK leaving the EU impacts the economic, legal and regulatory environment for our customers and across the financial services industry. In addition, the use of LIBOR, which is expected to cease in 2021, and its transition to (near) Risk Free Reference Rates (RFR) is also a significant issue across the 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.

The Company is monitoring the impact of the COVID-19 outbreak on the financial performance of the Company.

The Company is part of the Santander UK Group, which has implemented precautionary measures and protocols based on recommendations from official health authorities, such as the World Health Organization (WHO) and Public Health England. Further such measures may need to be implemented in future, as the situation is complex and is still changing rapidly.

Given the fluidity of the situation, the Company cannot quantify the magnitude and duration of the impact of the COVID-19 outbreak at this time, although there may well be a negative impact on our 2020 financial results. However, the Company does not anticipate any significant change to the carrying value of its assets and liabilities at the reporting date. The Company will continue to monitor and assess its business operations.

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.

The maximum exposure to credit risk without taking into account collateral or credit enhancements is the carrying amount of the amount owed by group undertakings as disclosed in note 9.

Key metrics under IFRS 9 are as follows:

Metric	Description
Expected credit losses (ECL)	ECL tells us what credit risk is likely to cost us either over the next 12 months on qualifying exposures, or defaults over the lifetime of the exposure where there is evidence of a significant increase in credit risk (SICR) since origination. We explain how we calculate ECL below.
Stages 1, 2 and 3	We assess each facility's credit risk profile to determine which stage to allocate them to, and we monitor where there is a SICR and transfers between the stages. We explain how we allocate a facility to Stage 1, 2 or 3 below.
Significant increase in credit risk (SICR)	Loans which have suffered a SICR since origination are subject to a lifetime ECL assessment which extends to a maximum of the contractual maturity of the loan. Loans which have not experienced a SICR are subject to 12 month ECL. We assess each facility's credit risk profile to determine which of three stages to allocate them to, see the Company's accounting policies on Note 1.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

8. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Santander UK plc is rated periodically by credit rating agencies Standard & Poor's, Moody's Investors Service and Fitch Ratings, Ltd.

Santander UK's current credit ratings are:

	S & P	Moody's	Fitch
Long-term rating	A	Aa3	A+
Long-term rating outlook	Negative	Negative	Negative
Short-term rating	A-1	P-1	F1

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 immediate controlling party, ensuring that the Company will have sufficient liquid resources to ensure it can meet its obligations as they fall due.

Maturity of financial liabilities

At 31 December 2019	On Demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total
Amounts owed to group undertakings	1,034	-	-	-	-	1,034
Total financial liabilities	1,034	-	-	-	-	1,034

At 31 December 2018	On Demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total
Amounts owed to group undertakings	920	-	-	-	-	920
Total financial liabilities	920	-	-	-	-	920

9. RELATED PARTY TRANSACTIONS

The following were the balances with related parties as at 31 December 2019 and 2018.

	2019 £	2018 £
Amounts owed by group undertakings		
Abbey Covered Bonds LLP	8,241	7,641
Wilmington Trust SP Services (London) Limited	10	10
	8,251	7,651

	2019 £	2018 £
Amounts owed to group undertakings		
Santander UK plc	1,034	920

Transactions with related parties comprise primarily amounts receivable in relation to the fee income from Abbey Covered Bonds LLP, amounts payable in relation to the tax charges paid by Santander UK plc on behalf of the Company and subscription received on issue of shares to Abbey Covered Bonds (Holdings) Limited and Santander UK plc held with Wilmington Trust SP Services (London) Limited.

There were no related party transactions during the year, or existing at the Balance Sheet date, with key management personnel of the Company.

10. INVESTMENT IN LIMITED LIABILITY PARTNERSHIPS

The Company is a designated member of Abbey Covered Bonds LLP a partnership registered in England & Wales. The Company has made no capital contributions to the partnership and currently has a 0% share of ownership interest. There is no intention for the Company to make capital contributions to the partnership in the future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

11. CAPITAL MANAGEMENT AND RESOURCES

Capital held by the Company and managed centrally as part of the Santander UK Group Holdings plc group, comprises share capital and reserves which can be found in the Balance Sheet on page 6.

Capital is managed by way of processes set up at inception of the Company and subsequently there is no active process for managing its own capital. The Company is designed to hold minimum reserves once all amounts owed by group undertakings have been received and amounts owed to group undertakings have been paid. The Company's capital is not externally regulated.

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Abbey Covered Bonds (Holdings) Limited, a company registered in England and Wales.

The administration, operations, accounting and financial reporting functions of the Company are performed by Santander UK plc, which is incorporated in Great Britain and registered in England and Wales.

The Company is a Special Purpose Entity and is controlled by and therefore consolidated within the Santander UK Group Holdings plc group financial statements.

The Company's ultimate controlling party is Banco Santander SA, a company incorporated in Spain. Banco Santander SA is the parent undertakings 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.

13. SUBSEQUENT BALANCE SHEET EVENTS

The Company is monitoring the impact of the COVID-19 outbreak on the financial performance of the Company.

The Company is part of the Santander UK Group, which has implemented precautionary measures and protocols based on recommendations from official health authorities, such as the World Health Organization (WHO) and Public Health England. Further such measures may need to be implemented in future, as the situation is complex and is still changing rapidly.

The situation continues to evolve and is being monitored at the Santander UK Group level. There may be an impact during 2020 on the results of the Company however this is expected to be mitigated for the Company through new and existing credit enhancement features within the structure. The Company will continue to monitor and assess its business operations and underlying performance.