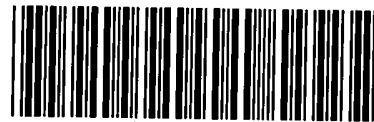


SANTANDER CONSUMER CREDIT SERVICES LIMITED

Registered in England and Wales
Company number 03927500

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

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REPORT OF THE DIRECTORS

The Directors submit their Annual Report and audited financial statements for the year ended 31 December 2016.

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.

Principal activity and business review

During 2013, the Company completed the sale of its credit finance business to SAV Credit Limited and to other debt providers.

The company has not generated any new business since this date and the Directors intend to liquidate the Company in the near future. The operations of the entity have therefore been treated as discontinued.

Results and dividends

The loss for the year amounted to £315,000 (2015: loss of £434,000). The Directors do not recommend the payment of a final dividend (2015: £nil).

Subsequent events

There are no subsequent events.

Directors

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

F E Armour
R Attar-Zadeh

Statement of directors' responsibilities

The Directors are responsible for preparing the Report of the Directors 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; 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. 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

As stated above, the Company sold its credit finance business during 2013 and the Directors intend to liquidate the Company in the near future. The financial statements have therefore been prepared on a basis other than going concern which includes, where appropriate, writing down the entity's assets to net realisable value.

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 remained in force during the financial year and as at the date of this Annual Report and Financial Statements. A copy of each of the indemnities is kept at the registered office address of Santander UK plc.

REPORT OF THE DIRECTORS *(continued)*

Information to 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 ought to have taken as a Director to make himself 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.

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



For and on behalf of
Santander Secretariat Services Limited
Company Secretary

27 June 2017

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SANTANDER CONSUMER CREDIT SERVICES LIMITED

Report on the financial statements

Our opinion

In our opinion, Santander Consumer Credit Services Limited'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 loss 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 in 2013 and the entity 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. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or 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 Income Statement 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 CONSUMER CREDIT SERVICES 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 set out on page 1, 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 this report include the disclosures required by applicable legal requirements.



Hamish Anderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 June 2017

INCOME STATEMENT*For the years ended 31 December*

	Note	2016 £000	2015 £000
Interest payable	4	(393)	(528)
Net interest expense		(393)	(528)
Provisions		-	51
Loss before tax		(393)	(477)
Tax credit	8	78	43
Loss for the year		(315)	(434)

All amounts above relate to discontinued operations.

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

The Company has no comprehensive income or expenses attributable to the equity holders other than the loss of £315,000 (2015: loss of £434,000) for the current and previous year as set out in the Income Statement.

BALANCE SHEET*At 31 December*

	Note	2016 £000	2015 £000
Current assets			
Deferred tax	10	317	504
Loans and receivables - amounts owed by Group undertakings	9	276	2,177
Total assets		593	2,681
Current liabilities			
Financial liabilities measured at amortised cost - amounts owed to Group undertakings	9	(31,501)	(33,274)
Other liabilities	11	(113)	(113)
Total current liabilities		(31,614)	(33,387)
Net liabilities		(31,021)	(30,706)
Equity			
Called up share capital	12	55,000	55,000
Accumulated losses		(86,021)	(85,706)
Total shareholders' deficit		(31,021)	(30,706)
Total liabilities and equity		593	2,681

The accompanying notes are an integral part of these 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
27 June 2017

CASH FLOW STATEMENT*For the years ended 31 December*

	2016	2015
	£000	£000
Loss from operations before tax	(393)	(477)
Adjustments for:		
Interest payable	393	528
Provisions	-	(51)
	-	-
Net amounts repaid to parent company	(10)	(872)
Net amounts received from Group undertaking	10	296
Decrease in other receivables	-	576
Net cash generated from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

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

STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

	Called up share capital £000	Accumulated losses £000	Total shareholders' deficit £000
As at 1 January 2015	55,000	(85,272)	(30,272)
Loss for the year	-	(434)	(434)
As at 31 December 2015	55,000	(85,706)	(30,706)
As at 1 January 2016	55,000	(85,706)	(30,706)
Loss for the year	-	(315)	(315)
As at 31 December 2016	55,000	(86,021)	(31,021)

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, whose liability is limited by shares. The company is 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 2 Triton Square, Regent's Place, London NW1 3AN.

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 functional and presentation currency of the Company is sterling.

Going Concern

The Company has net current liabilities and is reliant on other Group companies for its funding. The Company therefore has the ability to continue in existence for the foreseeable future and to meet all of its obligations as they fall due. 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.

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 for the Company:

- 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'.

IFRS 9 sets out the requirements for recognition and measurement of financial instruments. 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. The estimate of ECLs should reflect an unbiased and probability-weighted amount that is 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
- Stage 3: when 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. ACCOUNTING POLICIES (CONTINUED)

Future accounting developments (continued)

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, requires management judgement and is a key aspect of the IFRS 9 methodology.

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.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. None of these are expected to have a material impact on the financial statements of the Company.

Revenue recognition

Interest income on financial assets that are classified as loans and receivables and interest expense on financial liabilities is determined using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash payments or receipts over the expected life of the instrument, or when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the future cash flows are estimated after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts paid or received by the Company that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of the financial instrument and all other premiums or discounts.

Fees and commissions that are not an integral part of the effective interest rate are recognised when the service has been provided.

Income taxes, including deferred income taxes

Income tax payable on profits is recognised as an expense in the period in which profits arise.

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 or substantively enacted tax rates are used in the determination of deferred income tax.

Deferred and current tax assets and liabilities are only offset 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.

2. CRITICAL ACCOUNTING POLICIES AND AREAS OF SIGNIFICANT MANAGEMENT JUDGEMENT

The preparation of the Company's financial statements requires management to make estimates and judgements 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 estimates and judgements on an on-going basis. Management bases its estimates and judgements on historical experience and on other factors that are believed to be reasonable under the circumstances. Management do not consider there to be any areas requiring significant management judgement throughout the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. 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, interest rate risk and liquidity risk. The Company manages its risk in line with the central risk management function of the Santander UK Group. Santander UK Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK 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 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. It occurs where the Company has significant financial exposure to amounts due from its fellow group companies. The credit risk arising from group counterparties failing to meet all or part of their obligations is considered remote. Due to the nature of the inter group loans, and the fact that these loans are settled, and not traded, the Company is not exposed to the risk of changes to the market value caused by changing perceptions of the credit worthiness of such counterparties. The Company's management of credit risk is carried out in accordance with the group credit risk policy.

Maximum exposure to credit risk is £276,000 (2015: £2,177,000). This amount comprises amounts owed by group undertakings and other assets.

At the year end there were no financial assets that would have been impaired whose terms have been negotiated (2015: none).

There are no financial assets past due but not impaired. There were no significant concentrations of credit risk to any single counterparty or a group of counterparties having similar characteristics.

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 with the support of its parent company, ensuring that the Company will have sufficient liquid resources to ensure it can meet its obligations as they fall due.

The table below analyses the maturities of the undiscounted cash flows relating to financial liabilities of the Company based on the remaining period to the contractual maturity date at the statement of financial position date. There are no significant financial liabilities related to financial guarantee contracts. This table is not intended to show the liquidity of the Company.

As at 31 December 2016

	Demand £000	Total £000
Amounts due to Group companies	31,501	31,501
Other creditors	113	113
Total financial liabilities	31,614	31,614

As at 31 December 2015

	Demand £000	Total £000
Amounts due to Group companies	33,274	33,274
Other creditors	113	113
Total financial liabilities	33,387	33,387

Amounts due to group companies include £31,501,000 (2015: £33,274,000 due to the immediate parent undertaking, Santander Cards UK Limited).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INTEREST PAYABLE

	2016 £000	2015 £000
Payable to group undertakings	393	528

5. REMUNERATION OF DIRECTORS

The Directors' services to the Company are an incidental part of their duties. No Directors were remunerated for their services to the Company. Directors' emoluments were borne by other subsidiaries of Santander UK plc. No emoluments were paid by the Company to the Directors during the year (2015: £nil).

6. AUDITORS' REMUNERATION

Remuneration received by the auditors during the current year and the previous year for audit services was borne by a fellow Group undertaking. The audit fee in respect of the Company was:

	2016 £000	2015 £000
Fees payable to the Company's auditor and their associates for the audit of the Company's annual financial statements	5	5

7. EMPLOYEE INFORMATION

The Company did not employ any staff during the current or preceding financial year.

8. TAX CREDIT

	2016 £000	2015 £000
Current tax:		
UK corporation tax on loss of the year	(265)	(286)
Total current tax	(265)	(286)
Deferred tax:		
Origination and reversal of temporary differences	187	189
Change in rate of UK corporation tax	-	54
Total deferred tax	187	243
Tax credit on loss for the year	(78)	(43)

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. Since this further change was substantively enacted prior to 31 December 2016, the effects have been reflected in the deferred tax balances at the balance sheet date.

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

	2016 £000	2015 £000
Loss before tax	(393)	(477)
Tax calculated at a tax rate of 20.0% (2015: 20.25%)	(79)	(97)
Effect of change in tax rate on deferred tax provision	1	54
Tax credit for the year	(78)	(43)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. BALANCES WITH GROUP UNDERTAKINGS

	2016	2015
	£000	£000
<i>Assets:</i>		
Amounts owed by Group undertakings	276	2,177

All amounts owed from Group undertakings are payable on demand.

<i>Liabilities:</i>		
Amounts owed to Group undertakings	31,501	33,274

Amounts owed by Group undertakings are neither past due nor impaired.

All amounts owed to Group undertakings are repayable on demand.

10. DEFERRED TAX

Deferred taxes are calculated on temporary differences under the liability method using the tax rates expected to apply when the liability is settled or the asset is realised. The movement on the deferred tax account was as follows:

	2016	2015
	£000	£000
At 1 January	504	747
Income statement credit	(187)	(243)
At 31 December	317	504

Deferred tax assets are attributable to the following items:

	2016	2015
	£000	£000
Other temporary differences	317	504

The deferred tax assets scheduled above have been recognised in the Company on the basis that future taxable losses can be group relieved to allow for the utilisation of the assets as they reverse.

11. OTHER LIABILITIES

	2016	2015
	£000	£000
<i>Amounts falling due within one year:</i>		
Other creditors	113	113
	113	113

12. CALLED UP SHARE CAPITAL

	2016	2015
	£000	£000
<i>Authorised, issued and fully paid:</i>		
55,000,001 (2015: 55,000,001) ordinary shares of £1 each	55,000	55,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. RELATED PARTIES

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

	Interest payable	
	2016	2015
	£000	£000
Santander Cards UK Limited	393	528

	Amounts owed by related parties		Amounts owed to related parties	
	2016	2015	2016	2015
	£000	£000	£000	£000
Santander Cards UK Limited	-	1,891	31,501	33,274
Abbey National Treasury Services plc	276	286	-	-

The company does not hold cash resulting in transactions with the parent and other group entities.

All amounts due to and due from related parties are unsecured. With the exception of the loan with parent, all other related party balances are not interest bearing.

The loan with parent is held on a three month term at an interest rate of 3 month LIBOR. All other related party balances are repayable on demand.

There were no related party transactions during the year, or existing at the balance sheet date, with the Company's or parent company's key management personnel. Amounts owed by related parties include £276,000 (2015: £286,000) relating to current tax group relief.

14. CAPITAL MANAGEMENT AND RESOURCES

The Company's ultimate parent, Banco Santander SA ("Santander") 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 Santander Annual Report and Financial Statements.

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

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 FSA 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.

15. 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 registered 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 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, United Kingdom NW1 3AN.