

SANTANDER CONSUMER
CREDIT SERVICES LIMITED

Registered in England and Wales
Company number 03927500

ANNUAL REPORT AND
FINANCIAL STATEMENTS

For the year ended
31 December 2018



REPORT OF THE DIRECTORS

The Directors submit their Annual Report and audited financial statements for the year ended 31 December 2018 in respect of Santander Consumer Credit Services Limited (the "Company"). The Company is a private limited liability company, incorporated and domiciled in the United Kingdom.

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

Principal activities 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 £479,000 (2017: loss of £347,000 as restated - see note 16). The Directors do not recommend the payment of a final dividend (2017: £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:

FE Armour	
RJ Morrison	
R Attar-Zadeh	(resigned 8 May 2019)
MJ Hall	(appointed 8 May 2019)

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.

Statement of going concern

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 3 and 14 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

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 were qualifying third party indemnities and 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 independent Auditors

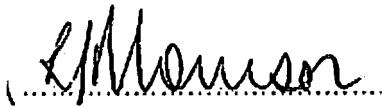
Each of the Directors as at the date of approval of this report has confirmed that:

- 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 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.

By order of the Board

A handwritten signature in black ink, appearing to read 'R J Morrison', is written over a dotted line.

R J Morrison
Director

30 September 2019

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 audit of the financial statements

Opinion

In our opinion, Santander Consumer Credit Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, the cash flow statement, 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than 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 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.



Ajay Kabra (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
30 September 2019

STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

	Note	2018 £000	2017 restated* £000
Administrative expenses		(6)	-
Operating loss		(6)	-
Interest payable	4	(575)	(456)
Loss before tax		(581)	(456)
Tax credit	8	102	109
Loss for the year		(479)	(347)
Total comprehensive loss for the year		(479)	(347)

All amounts above relate to discontinued operations.

* For details of the restatement – see note 16.

There were no other gains or losses other than the loss for the year.

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

BALANCE SHEET

At 31 December

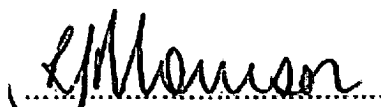
	Note	2018 £000	2017 restated* £000	2016 restated* £000
Current assets				
Deferred tax	10	-	201	339
Financial assets at amortised cost – amounts due from group undertakings	9	827	513	276
Total assets		827	714	615
Current liabilities				
Financial liabilities at amortised cost - amounts owed to group undertakings	9	(32,653)	(32,067)	(31,621)
Other liabilities	11	(119)	(113)	(113)
Total current liabilities		(32,772)	(32,180)	(31,734)
Net liabilities		(31,945)	(31,466)	(31,119)
Equity				
Called up share capital	12	55,000	55,000	55,000
Accumulated losses		(86,945)	(86,466)	(86,119)
Total shareholders' equity		(31,945)	(31,466)	(31,119)
Total liabilities and equity		827	714	615

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

* For details of the restatement – see note 16.

These 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 13 were approved by the Board of Directors and signed on its behalf by:



R J Morrison
Director
30 September 2019

CASH FLOW STATEMENT

For the years ended 31 December

	2018	2017
	£000	restated*
	£000	£000
Loss before tax	(581)	(456)
Adjustments for:		
Taxation	102	109
Interest payable	575	456
Cash flows from operating activities	96	109
Net change in amounts payable to parent company	11	16
Net change in amounts receivable from Group undertakings	(314)	(236)
Increase in other liabilities	6	-
Group relief – utilisation of deferred tax	201	143
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	-	-

All cash flows relate to discontinued operations.

* For details of the restatement – see note 16.

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 restated* £000	Total Equity restated* £000
As at 1 January 2017	55,000	(86,119)	(31,119)
Restated loss for the year	-	(347)	(347)
As at 31 December 2017	55,000	(86,466)	(31,466)
As at 1 January 2018	55,000	(86,466)	(31,466)
Loss for the year	-	(479)	(479)
As at 31 December 2018	55,000	(86,945)	(31,945)

* For details of the restatement – see note 16.

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 no longer trades and is expected to be liquidated in the near future. 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, using the historical cost convention. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

Recent accounting developments

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

The application of IFRS 9 had no material impact on the Company. Financial assets and liabilities impacted by the standard comprise amounts due from and to group companies and have been reclassified.

The application of IFRS 15 had no material impact as the Company does not generate revenue.

Future accounting developments

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

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

Interest payable

Interest payable is recognised on an accruals basis.

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.

Financial assets and liabilities at amortised cost

Financial liabilities are classified as subsequently measured at amortised cost. The financial liabilities of the Company comprise of amounts owed to group undertakings. Amounts owed to group undertakings are presented as current liabilities unless payment is not due within 12 months after the reporting period. The amounts are unsecured.

NOTES TO THE FINANCIAL STATEMENTS *(continued)***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.

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 (comprising Santander UK plc and its subsidiaries). 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, and any interest accrued. Credit risk occurs as the Company has significant financial exposure to amounts due from its fellow group companies. However, credit risk arising from group counterparties failing to meet all or part of their obligations is considered remote. No collateral is held as security.

Maximum exposure to credit risk is £778,000 (2017: £513,000). 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 (2017: 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.

	Demand £000	3-12 months £000	Total £000
As at 31 December 2018			
Amounts due to group companies	32,653	-	32,653
Other liabilities	113	6	119
Total financial liabilities	32,766	6	32,772
As at 31 December 2017 – restated*			
	Demand £000		Total £000
Amounts due to Group companies	32,067		32,067
Other liabilities	113		113
Total financial liabilities	32,180		32,180

* For details of the restatement – see note 16.

Amounts due to group companies include £32,653,000 (2017: £32,067,000) due to the immediate parent undertaking, Santander Cards UK Limited.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. INTEREST PAYABLE

	2018 £000	2017 restated* £000
Payable to group undertakings	575	456

* For details of the restatement – see note 16.

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 (2017: £nil).

6. AUDITORS' REMUNERATION

The audit fee in respect of the Company was:

	2018 £000	2017 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	6	6

Remuneration received by the auditors during the current year was borne by the Company. For the previous year, auditors' remuneration was borne by a fellow Group undertaking.

7. EMPLOYEE INFORMATION

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

8. TAX CREDIT

	2018 £000	2017 £000
Current tax:		
UK corporation tax on loss of the year	(313)	(247)
Adjustments in respect of prior years	10	-
Total current tax	(303)	(247)
Deferred tax:		
Origination and reversal of temporary differences	219	159
Change in rate of UK corporation tax	(18)	(21)
Total deferred tax	201	138
Tax credit on loss for the year	(102)	(109)

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

The Finance Act 2016 introduced a further reduction in the corporation tax rate to 17.00% from 2020. The effects have been reflected in the deferred tax balances at both 31 December 2018 and 2017.

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

	2018 £000	2017 £000
Loss before tax	(581)	(456)
Tax calculated at a tax rate of 19.00% (2017: 19.25%)	(110)	(88)
Effect of change in tax rate on deferred tax provision	(18)	(21)
Adjustment to prior year provisions	26	-
Tax credit for the year	(102)	(109)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

9. BALANCES WITH GROUP UNDERTAKINGS

	2018 £000	2017 restated* £000
Financial assets at amortised cost:		
Amounts owed by Group undertakings	827	513

All amounts owed from Group undertakings are payable on demand.

Financial liabilities at amortised cost:		
Amounts owed to Group undertakings	32,653	32,067

* For details of the restatement – see note 16.

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:

	2018 £000	2017 restated* £000
At 1 January	201	339
Income statement charge	(201)	(138)
At 31 December	-	201

* For details of the restatement – see note 16.

Deferred tax assets are attributable to the following items:

	Provided Balance sheet		Provided Income statement	
	2018 £000	2017 £000	2018 £000	2017 £000
Other temporary differences	-	201	(201)	(138)
	-	201	(201)	(138)

For the previous year, 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. The deferred tax asset was charged to the income statement during the current year.

11. OTHER LIABILITIES

	2018 £000	2017 £000
<i>Amounts falling due within one year:</i>		
Other creditors	113	113
Accruals	6	-
	119	113

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

12. CALLED UP SHARE CAPITAL

	2018 £000	2017 £000
<i>Authorised, issued and fully paid:</i>		
55,000,001 (2017: 55,000,001) ordinary shares of £1 each	55,000	55,000

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			
	2018 £000	2017 £000		
Santander Cards UK Limited	575	456		

	Amounts owed by related parties		Amounts owed to related parties	
	2018 £000	2017 £000	2018 £000	2017 restated* £000
Santander Cards UK Limited	-	-	32,653	32,067
Santander UK plc	827	513	-	-

* For details of the restatement – see note 16.

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 attracts interest at 3 month LIBOR. All 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 £827,000 (2017: £513,000) 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.

At 31 December 2018, Santander UK plc, Abbey National Treasury Services plc, and Cater Allen Limited, which are the three PRA-regulated entities in the Santander UK group, were party to a capital support deed dated 23 December 2015 (the *Capital Support Deed*) with certain other non-regulated subsidiaries of Santander UK plc and Santander UK Group Holdings plc including the Company. The parties to the Capital Support Deed 2015 were permitted to form a core UK group as defined in the PRA Rulebook. Exposures of each of the three regulated entities to other members of the core UK group are exempt from large exposure limits that would otherwise apply. The purpose of the Capital Support Deed was to facilitate the prompt transfer of available capital resources from, or repayment of liabilities by, the non-regulated parties to any of the regulated parties in the event that one of the regulated parties breached or was at risk of breaching its capital resources requirements or risk concentrations requirements. The core UK group permission as supported by the Capital Support Deed 2015 expired on 31 December 2018. From 1 January 2019 as a result of ring-fencing, Santander UK plc entered into a new Capital support deed with Cater Allen Limited and certain non-regulated subsidiaries including the Company which expires 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS *(continued)***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.

16. RESTATEMENT

During the year, the Directors reviewed the loan arrangements between the Company and its parent company, Santander Cards UK Limited. As part of this review, the Directors identified that interest charged by the parent company had been understated in the years ended 31 December 2013 to 31 December 2017. Consequently, the results for the year ended 31 December 2017 and the opening reserves for the year ended 31 December 2017 have been restated. The impact of these adjustments is detailed below:

	31 December 2017 (as previously reported) £000	Adjustments £000	31 December 2017 (as restated) £000	1 January 2017 (as previously reported) £000	Adjustments £000	1 January 2017 (as restated) £000
Current assets						
Financial liabilities at amortised cost - amounts owed to group undertakings	(31,846)	(221)	(32,067)	(31,501)	(120)	(31,621)
Tax effect adjusted through Deferred tax	159	42	201	317	22	339
Net adjustment		(179)			(98)	
Equity						
Accumulated losses	(86,287)	(179)	(86,466)	(86,021)	(98)	(86,119)
Total equity		(179)			(98)	