

SANTANDER UK TECHNOLOGY LIMITED

**Registered in England and Wales
Company Number 05212726**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2023**

STRATEGIC REPORT

The Directors submit their Strategic report together with their Report of the Directors and the unaudited financial statements for the year ended 31 December 2023.

The Directors have opted to take advantage of the audit exemption available to the Company under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Fair review of the Company's Business

The immediate parent of Santander UK Technology Limited (the "Company") is Santander UK plc. Santander UK Group Holdings plc is the ultimate UK parent. The Company together with Santander UK Group Holdings plc, and Santander UK Group Holdings plc's subsidiaries forms the Santander UK Group (the Group). The Company together with Santander UK plc and Santander UK plc's subsidiaries form the Ring-Fenced Bank Group (the RFB Group).

The principal activity of the Company was the provision of IT staff to the Company's immediate parent, Santander UK plc. This activity was integrated into Santander UK plc and the Company undertook a Transfer of Undertakings (Protection of Employment) ("TUPE") with employees being transferred to Santander UK plc on 1 June 2022.

The Company made a profit for the year of £7,859 (2022: £1,174,871).

With the operations of the Company being wound down, the financial statements are prepared on an 'other than going concern' basis.

The Group manages its operations on a divisional basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the divisions of the Group, which include the Company, are discussed in the Group's Annual Report which does not form part of this Annual Report.

The purpose of this Report is to provide information to the members of the Company and as such it is only addressed to those members. The Report may contain certain forward-looking statements with respect to the operations, performance and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations and intentions expressed in such forward-looking statements. Members should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and the Company undertakes no obligation to update any forward-looking statement during the year.

Section 172(1) Statement

The Santander UK Group is committed to ensuring that stakeholder interests continue to be embedded in all aspects of decision-making across the Santander UK Group, at both Board and management level. The Santander Corporate Governance Office has taken steps to promote awareness and understanding of what is expected of Directors under section 172 of the Companies Act 2006. This includes briefing Directors on their statutory duties, as well as educating the business on ensuring the information they present to boards and management committees draws out the crucial points that will enable Directors to make fully informed decisions which factor in all relevant stakeholder impacts.

As a subsidiary of Santander UK Group Holdings plc, the Company applies policies and standards which are consistent with those adopted by the Santander UK Group Holdings plc Board. This supports efficiency and ensures a consistent approach with regards to engagement with stakeholders on issues and decisions which have an impact across the wider Santander UK Group. You can find out more about the engagement undertaken with key stakeholder groups during the year and how their interests were considered as part of the Santander UK Group Holdings plc and Santander UK plc Board's deliberations and decision making in the Santander UK Group Holdings plc 2023 Annual Report, which does not form part of this report.

The Directors of the Company are fully aware of their responsibilities under section 172 of the Companies Act 2006 and take all appropriate steps to ensure they consider the likely impact of their decisions in the long-term, as well as the interests of the Company's stakeholders. In discharging its responsibility for the overall oversight of the business, the Board has continued to pay due regard to its duty to promote the long-term success of the Company for the benefit of its shareholder, by ensuring its decisions are in accordance with the agreed Santander UK Group strategy.

Principal risks and uncertainties facing the Company

The Company's principal risks and uncertainties together with the processes that are in place to monitor and mitigate those risks where possible can be found in note 2.

On behalf of the Board



SD Affleck
Director
24 May 2024

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

REPORT OF THE DIRECTORS

The Directors submit their report together with the Strategic report and unaudited financial statements for the year ended 31 December 2023.

The Directors have opted to take advantage of the audit exemption available to the Company under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Principal activities and review of the year

The immediate parent of Santander UK Technology Limited (the “Company”) is Santander UK plc. Santander UK Group Holdings plc is the ultimate UK parent. The Company together with Santander UK Group Holdings plc, and Santander UK Group Holdings plc’s subsidiaries forms the Santander UK Group (the Group). The Company together with Santander UK plc and Santander UK plc’s subsidiaries form the Ring-Fenced Bank Group (the RFB Group).

The principal activity of the Company was the provision of IT staff to the Company’s immediate parent, Santander UK plc. This activity was integrated into Santander UK plc and the Company undertook a Transfer of Undertakings (Protection of Employment) (“TUPE”) with employees being transferred to Santander UK plc on 1 June 2022.

With the operations of the Company being wound down, the financial statements are prepared on an ‘other than going concern’ basis.

Results and dividends

The profit for the year after taxation amounted to £7,859 (2022: £1,174,871).

The Directors do not propose the payment of a final dividend for 2023 (2022: £nil). No interim dividend was paid in 2023 (2022: £nil).

Directors

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

S D Affleck
G Calder (Resigned 31 January 2023)
S S Munro
S C White

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 UK-adopted international accounting standards.

Under company law, 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 UK-adopted international accounting standards 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 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 also 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.

Qualifying Third Party Indemnities

Enhanced indemnities are provided to the Directors of the Company by Santander UK Group Holdings plc against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities were in force during the financial year and at the date of approval of this Report and financial statements. All of the indemnities were qualifying third party indemnities. A copy of each of the indemnities is kept at the registered office address of Santander UK Group Holdings plc.

Financial Instruments

The Company’s financial instruments comprise Trade receivables and payables that arise directly from its operations as well as cash balances. It is, and has been throughout the year under review, the Company’s policy that no trading in financial instruments shall be undertaken. All assets, liabilities and transactions are denominated in pound sterling.

Further disclosures regarding financial risk management objectives and policies and the Company’s exposure to principal risks can be found in note 2.

REPORT OF THE DIRECTORS (continued)

Statement of Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 2 and 16 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, liquidity risk and operational risk.

The Directors of the Company made the decision to wind down the operations of the Company. The Directors believe that the Company has adequate resources to meet its ongoing liabilities until it is formally wound down. However, IAS 1 'Presentation of Financial Statements' 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.

The financial statements do not include any provision for future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting year.

Streamlined Energy and Carbon Reporting (SECR)

The Company is out of scope of the Streamlined Energy and Carbon Reporting (SECR), as it does not meet the numerical thresholds in relation to turnover and number of employees.

On behalf of the board



SD Affleck
Director
24 May 2024

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	2023 £	2022 £
Revenue	3	662	45,882,527
Cost of sales	4	-	(44,137,081)
Gross profit		662	1,745,446
Administrative expenses	7	(650)	(449,609)
Operating profit		12	1,295,837
Other financial items	8	10,309	-
Interest and similar income		11	-
Profit before tax		10,332	1,295,837
Tax charge for the year	9	(2,473)	(120,966)
Net profit for the year after tax		7,859	1,174,871
Other comprehensive income for the year		-	-
Total comprehensive income for the year		7,859	1,174,871

All of the activities of the Company are classed as discontinued.

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2022	8,000	35,700,538	35,708,538
Net Profit after tax and total comprehensive income for the year	-	1,174,871	1,174,871
At 31 December 2022	8,000	36,875,409	36,883,409
Net Profit after tax and total comprehensive income for the year	-	7,859	7,859
At 31 December 2023	8,000	36,883,268	36,891,268

CASH FLOW STATEMENT

For the year ended 31 December 2023

	Note	2023 £	2022 £
Net cash used in operating activities	15	(4,014,258)	(117,841,784)
Investing activities:			
Interest received		11	-
Net cash flow generated from investing activities		11	-
Net decrease in cash and cash equivalents during the year		(4,014,247)	(117,841,784)
Cash and cash equivalents at beginning of year		23,824,641	141,666,425
Cash and cash equivalents at end of year	12	19,810,394	23,824,641

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

BALANCE SHEET

As at 31 December 2023

	Note	2023 £	2022 £
Current assets			
Trade and other receivables	11	27,169,036	27,974,232
Cash and cash equivalents	12	19,810,394	23,824,641
Corporation tax		2,052,693	2,055,583
Total current assets		49,032,123	53,854,456
Total assets		49,032,123	53,854,456
Current liabilities			
Trade and other payables	13	(12,140,855)	(16,971,047)
Total current liabilities		(12,140,855)	(16,971,047)
Net current assets		36,891,268	36,883,409
Net assets		36,891,268	36,883,409
Equity			
Share capital	14	8,000	8,000
Retained earnings		36,883,268	36,875,409
Total equity		36,891,268	36,883,409

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

For the year ending 31 December 2023, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 4 to 14 were approved by the Board of Directors, authorised for issue and signed on its behalf by:



SD Affleck
Director

24 May 2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

General information

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The Company is an indirect subsidiary of Santander UK Group Holdings plc whose ultimate parent is Banco Santander SA. The registered office address of the Company is 2 Triton Square, Regent's Place, London, NW1 3AN.

Basis of preparation

These financial statements are prepared for Santander UK Technology Limited (the Company) under the Companies Act 2006. All current assets and liabilities have been presented at their recoverable value at the end of the reporting period.

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards (IAS).

The financial statements do not include any provision for future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting year.

The functional and presentation currency of the Company is Pound Sterling.

Going concern

As set out in the Directors report, the Directors made the decision to wind down the operations of the Company. The Directors believe that the Company has adequate resources to meet its ongoing liabilities until it is formally wound down. However, IAS 1 'Presentation of Financial Statements' 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.

Recent accounting developments

The amendment to IAS 1 'Presentation of Financial Statements', which requires disclosure of material rather than significant accounting policies, is effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendment was adopted early in the preparation of the financial statements for the year ended 31 December 2022.

No other significant new or revised pronouncements, which became effective from 1 January 2023, impacted these financial statements.

Future accounting developments

At 31 December 2023, for the Company, there were no other significant new or revised pronouncements which have been issued but which are not yet effective, or which have otherwise not been early adopted where permitted.

Material accounting policy information

The following material accounting policies have been applied consistently in preparing these financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable.

Revenue billed to the Company's parent company, Santander UK plc represents a mark-up of 3% on cost of sales and administrative expenses.

Expenses in relation to cost of sales are accounted for on an accruals basis.

Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are initially recognised when the Company becomes a party to the contractual terms of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition and measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

1) Classification and subsequent measurement

All of the Company's financial assets are classified in the measurement category of amortised cost.

Financial assets: amortised cost

The Company's financial assets that are measured at amortised costs comprise of trade and other receivables and cash and cash equivalents. Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents comprise balances held with banks.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost. The financial liabilities of the Company comprise trade and other payables. The amounts are unsecured.

2) Impairment of Financial assets

Expected credit losses are recognised on all financial assets at amortised cost. The expected credit loss (ECL) considers forward looking information to recognise impairment allowances.

ECL provisions for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the financial instrument. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

3) Derecognition

Financial assets are derecognised when the rights to receive cash flows have expired or the Company has transferred its contractual right to receive the cash flows from the assets and either: (1) substantially all the risks and rewards of ownership have been transferred; or (2) the Company has neither retained nor transferred substantially all of the risks and rewards but has transferred control. Financial liabilities are derecognised when extinguished, cancelled or expired.

Income taxes including deferred taxes

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

Income tax payable on profits is recognised as an expense in the period in which profits arise. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is the tax expected to be payable or recoverable on income tax losses available to carry forward and on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the assets may be utilised as they reverse.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill. Deferred tax assets and liabilities are not recognised from the initial recognition of other assets (other than in a business combination) and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Research and Development

Expenditure on research activities is recognised in the profit or loss when incurred.

Research and Development Expenditure Credit (RDEC)

The Company recognises RDEC on qualifying expenditure that does not result in a capitalised asset, directly against expenses in the Income Statement to which they relate. The RDECs are recognised to the extent that there is reasonable assurance that the Company will comply with the conditions attaching to it and that the credits will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES (continued)

Critical judgements and accounting estimates

The preparation of the 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 ongoing basis. Management bases its estimates and judgements on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

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

2. 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 operational risk, credit risk and liquidity risk. The Company manages its risk in line with the central risk management function of the Group. The Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the 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 Group's strategic objectives.

a) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes regulatory, legal and compliance risk. Operational risk is monitored and managed within the Group. Further information can be found in the Santander UK Group Holdings plc Annual Report which does not form part of this Report.

b) Financial risks

i) Credit risk

Credit risk is the risk of financial loss arising from the default of a counterparty to which the Company has directly provided services.

Maximum exposure to credit risk

The table below shows the Company's maximum exposure to credit risk. The table only shows the financial assets that credit risk affects.

	2023			2022		
	Gross amounts £	Loss allowances £	Net exposure £	Gross amounts £	Loss allowances £	Net exposure £
Balance Sheet assets						
Amounts owed by group undertakings	24,646,620	-	24,646,620	25,451,816	-	25,451,816
Research and Development Expenditure Credit (RDEC)	2,522,416	-	2,522,416	2,522,416	-	2,522,416
Total	27,169,036	-	27,169,036	27,974,232	-	27,974,232

The Company did not recognise an ECL provision against the intercompany receivable balance because the Company could fully recover the balance within a short period of time. In addition, the debtor has sufficient accessible highly liquid assets in order to repay the balance if demanded. The ECL provision for the remaining balances was insignificant.

The carrying amount of financial assets recorded in the financial statements is net of impairment losses and represents the Company's maximum exposure to credit risk as no collateral or other credit enhancements are held.

ii) 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 obligations as they fall due. The Company manages liquidity risk with support of its parent.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to contractual maturity date. There are no significant financial liabilities related to financial guarantee contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. RISK MANAGEMENT (continued)

b) Financial risks (continued)

ii) Liquidity risk (continued)

At 31 December 2023	On demand £	Less than 6 months £	6-12 months £	1-5 Years £	Over 5 years £	2023 Total £
Intercompany liabilities	12,140,791	-	-	-	-	12,140,791
Other payables and accruals	64	-	-	-	-	64
Total financial liabilities	12,140,855	-	-	-	-	12,140,855

At 31 December 2022	On demand £	Less than 6 months £	6-12 months £	1-5 Years £	Over 5 years £	2022 Total £
Intercompany liabilities	16,882,379	-	-	-	-	16,882,379
Other payables and accruals	88,668	-	-	-	-	88,668
Total financial liabilities	16,971,047	-	-	-	-	16,971,047

3. REVENUE

	2023 £	2022 £
Revenue	662	45,882,527
Total	662	45,882,527

Revenue is wholly attributable to the principal activity of the Company.

4. COST OF SALES

	2023 £	2022 £
Staff costs (see note 5)	-	43,860,263
Professional fees – related parties	-	274,823
Professional fees – other	-	1,995
Total	-	44,137,081

5. STAFF COSTS

The monthly average number of persons employed by the Company is reflected in the table below.

The monthly average number of staff in 2022 is based on the first 5 months of 2022 as, on 1 June 2022, the Company undertook a Transfer of Undertakings (Protection of Employment) (“TUPE”) of its staff. The Company had no staff after that date.

Santander UK plc, the immediate parent, previously bore all the staff costs before recharging them to the Company.

	2023 Number	2022 Number
Technical	-	1,137
Administrative	-	24
Total	-	1,161

Their aggregate employment costs comprised:

	2023 £	2022 £
Wages and salaries	-	35,475,999
Social security costs	-	4,005,743
Other pension costs	-	4,378,521
Total	-	43,860,263

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6. DIRECTORS' EMOLUMENTS

No Directors were remunerated for their services to the Company (2022: none). Directors' emoluments are borne by the immediate UK parent company, Santander UK plc. No emoluments were paid by the Company to Directors during the year (2022: £nil). The Directors' services to the Company are an incidental part of their duties.

7. ADMINISTRATIVE EXPENSES

	2023 £	2022 £
Administrative expenses	650	449,609
Total	650	449,609

Administrative expenses include bank charges levied on the bank accounts held with the immediate parent company Santander UK plc.

Fees payable to the Company's auditors for the audit of the Company's annual financial statements in 2022 were £39,900. No fees were payable in 2023.

8. OTHER FINANCIAL ITEMS

	2023 £	2022 £
Gains from exchange differences	10,309	-
Total	10,309	-

Exchange differences resulted from release of prepayments and settlement of invoices that were denominated in foreign currency.

9. TAX CHARGE FOR THE YEAR

	2023 £	2022 £
Current tax:		
UK corporation tax on profit of the year	1,202	791,643
Adjustments in respect of prior years	1,688	(149,829)
Total current tax	2,890	641,814
Deferred tax:		
Origination and reversal of temporary differences	1,226	(545,674)
Change in rate of UK Corporation tax	79	(172,318)
Adjustments in respect of prior years	(1,722)	197,144
Total deferred tax	(417)	(520,848)
Tax charge on profit for the year	2,473	120,966

UK corporation tax is calculated at 23.50% (2022: 19.00%).

The enacted tax rate for 2024 is expected to be 25% for corporation tax. This rate has therefore been applied in determining both the opening and closing balance sheet positions for deferred tax.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK to implement the OECD Pillar Two model rules which introduces a global minimum effective tax rate of 15% with effect from 1 January 2024. It is not anticipated that the rules will impact the Company.

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

	2023 £	2022 £
Profit before tax:	10,332	1,295,837
Tax calculated at a tax rate of 23.50% (2022: 19.00%)	2,428	246,209
Non-deductible expenses	-	(240)
Effect of change in tax rate on deferred tax provision	79	(172,318)
Adjustments to prior year provisions	(34)	47,315
Tax charge for the year	2,473	120,966

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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:

	2023 £	2022 £
At 1 January	-	985,988
Income statement credit	417	520,848
Transfer to group undertaking	(417)	(1,506,836)
At 31 December	-	-

Deferred tax assets are attributable to the following items:

	Balance Sheet		Income Statement	
	2023 £	2022 £	2023 £	2022 £
Deferred tax assets				
Accelerated book depreciation/ (tax depreciation)	-	-	417	(58,504)
Other temporary differences	-	-	-	579,352
	-	-	417	520,848

11. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
Amounts owed by group undertakings	24,646,620	25,451,816
Research and Development Expenditure Credit (RDEC)	2,522,416	2,522,416
Total	27,169,036	27,974,232

The recoverable value of trade and other receivables due within one year approximate to their carrying amounts as presented above. None of the amounts under other debtors are considered past due or impaired (2022: £nil).

Research and Development Expenditure Credits (RDEC) are tax reliefs available from the UK tax authority (HMRC) on qualifying expenditure relating to qualifying activities.

12. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Balances with banks	19,810,394	23,824,641
Total	19,810,394	23,824,641

Cash and cash equivalent balances are placed with the parent undertaking, Santander UK plc which provides banking services to the Company.

13. TRADE AND OTHER PAYABLES

	2023 £	2022 £
Amounts owed to group undertakings	12,140,791	16,882,379
Accrued expenses	64	88,668
Total	12,140,855	16,971,047

The recoverable value of trade and other payables due within one year approximate to their carrying amounts as presented above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14. SHARE CAPITAL

	2023 £	2022 £
Issued and fully paid:		
8,000 (2022: 8,000) ordinary shares of £1 each	8,000	8,000

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

15. NET CASH USED IN OPERATING ACTIVITIES

	2023 £	2022 £
Profit from operations	10,332	1,295,837
Adjustments for:		
Interest	(11)	-
Net exchange differences	(10,309)	10,479
	12	1,306,316
Decrease in receivables	815,505	17,095,839
Decrease in payables	(4,829,775)	(136,243,939)
Net cash movement in working capital	(4,014,258)	(117,841,784)
Net cash used in operating activities	(4,014,258)	(117,841,784)

Where tax assets and liabilities have been group-relieved, they are accounted for as operating receivables or operating payables.

16. CAPITAL MANAGEMENT AND RESOURCES

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

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

No dividends were proposed or declared before the financial statements were authorised for issue.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

17. RELATED PARTY TRANSACTIONS

The following were the transactions with group undertakings as at and for the year ended 31 December:

	Revenue, interest and similar income		Cost of sales and administrative expenses	
	2023	2022	2023	2022
	£	£	£	£
Ultimate parent:				
Banco Santander SA	-	-	-	-
Immediate parent:				
Santander UK plc	662	45,882,527	654	813
Santander UK plc – Bank interest	11	-	-	-
Other related parties:				
Gesban UK Limited	-	-	-	274,010
	673	45,882,527	654	274,823

	Amounts due from related parties		Amounts due to related parties	
	2023	2022	2023	2022
	£	£	£	£
Ultimate parent:				
Banco Santander SA	-	801,662	-	-
Immediate parent:				
Santander UK plc	14,446,928	14,240,637	12,120,910	16,027,534
Santander UK plc – group relief	10,199,692	10,199,692	-	-
Santander UK plc – Bank account	19,810,394	23,824,641	-	-
Other related parties:				
Santander Global Facility SA	-	8,493	19,881	33,378
Gesban UK Limited	-	-	-	274,010
Santander Global Technology S.L	-	201,332	-	547,457
	44,457,014	49,276,457	12,140,791	16,882,379

Amounts owed by related parties include cash and cash equivalent relating to Bank balances held with Santander UK plc.

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 (2022: Enil).

18. CONTINGENT LIABILITIES AND COMMITMENTS

Capital Support Deed

At 31 December 2023, Santander UK plc (RFB), Cater Allen Limited, Santander ISA Managers Limited and certain other non-regulated subsidiaries within the RFB, including Santander UK Technology Limited, were party to the RFB Sub-Group Capital Support Deed dated 17 December 2021. These parties were permitted by the PRA to form a core UK group, as defined in the PRA Rulebook, a permission which will expire on 31 December 2024. Exposures of each of the regulated entities to other members of the core UK group were exempt from large exposure limits that would otherwise apply. These intra-group exposures were risk-weighted at 0% and excluded from leverage exposure on a solo as well as consolidated basis. The purpose the 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 RFB Sub-Group in the event that one of the regulated parties breached or was at risk of breaching its capital resources or risk concentrations requirements.

19. PARENT UNDERTAKING AND CONTROLLING PARTY

Santander UK Technology Limited is domiciled in the United Kingdom. The Company's immediate parent company is Santander UK plc, a company registered in England and Wales. The registered office address of Santander UK plc is 2 Triton Square, Regent's Place, London NW1 3AN.

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 UK parent undertaking of the smallest group of undertakings for which group financial statements are drawn up.

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