

GESBAN UK LIMITED

Registered in England and Wales  
Company Number 03072287

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2016

WEDNESDAY



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## REPORT OF THE DIRECTORS

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

This Report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions and the exemption from preparing a Strategic Report in accordance with Section 414B of Companies Act 2006.

### Principal activity and review of the year

The principal activity of Gesban UK Limited (the Company), is to provide a single source of accounting and invoice payment services to Banco Santander SA group entities in the UK and Ireland.

### Likely Future Developments

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

### Results and dividends

The profit for the year after tax amounted to £95,825 (2015: profit £104,917). The Directors do not recommend the payment of a final dividend (2015: £nil).

### Directors

The Directors who served throughout the year and to the date of this report were:

S P Cole	(resigned 1 September 2016)
M Cueva Díaz	
R J Morrison	(appointed 5 July 2016)

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws 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 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records which are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. 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 15 to the financial statements includes 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.

The Company has adequate financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the period of 12 months from the date the financial statements are authorised for issue. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

### Qualifying Third Party Indemnities

Enhanced indemnities are provided to certain Directors of the Company by Santander UK plc (where such person has been nominated in writing by Santander UK plc as its representative on the board) against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities were in force during the financial year and at the date of approval of the Annual Report and financial Statements. All indemnities were qualifying third party indemnities. A copy of each of the indemnities is kept at the registered office address of Santander UK plc (2 Triton Square, Regent's Place, London, NW1 3AN).

## REPORT OF THE DIRECTORS (*continued*)

### Independent Auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In accordance with Sections 485 and 487 of the Companies Act 2006, Deloitte LLP vacated office as auditors of the Company with effect from 11 August 2016. PricewaterhouseCoopers LLP were appointed auditor with effect from 11 August 2016 and shall be deemed to be re-appointed as auditor for each succeeding financial period until the Company resolves that the appointment of the auditor be brought to an end.

By Order of the Board



For and on behalf of  
Santander Secretariat Services Limited, Secretary

24 April 2017

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GESBAN UK LIMITED

## REPORT ON THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, Gesban UK 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 profit and cash flows for the 12 month period (the "period") 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.

### What we have audited

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

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the period then ended;
- the Cash Flow Statement for the period then ended;
- the Statement of Changes in Equity for the period 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, the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

## 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.

## 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GESBAN UK LIMITED (continued)

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.



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

## STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December

Continuing operations	Notes	2016 £	2015 £
Revenue		4,658,040	4,927,229
Cost of sales	4	(4,451,241)	(4,719,079)
Gross profit		206,799	208,150
Interest and similar income	7	6,853	9,051
Other operating expenses	6	(89,885)	(83,116)
Profit before tax		123,767	134,085
Tax charge	8	(27,942)	(29,168)
Profit for the year after tax		95,825	104,917
Other comprehensive income for the year		-	-
Total comprehensive income for the year		95,825	104,917

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

## STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	100,000	475,263	575,263
Profit for the year after tax and total comprehensive income	-	104,917	104,917
At 31 December 2015 and 1 January 2016	100,000	580,180	680,180
Profit for the year after tax and total comprehensive income	-	95,825	95,825
At 31 December 2016	100,000	676,005	776,005

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

## BALANCE SHEET

As at 31 December

	Notes	2016 £	2015 £
<b>Current assets</b>			
Deferred tax	9	31,301	22,362
Trade and other receivables	10	-	182,250
Cash and cash equivalents	11	2,167,518	1,893,450
<b>Total current assets</b>		<b>2,198,819</b>	<b>2,098,062</b>
<b>Current liabilities</b>			
Trade and other payables	12	(1,398,061)	(1,390,729)
Corporation tax		(24,753)	(27,153)
<b>Total current liabilities</b>		<b>(1,422,814)</b>	<b>(1,417,882)</b>
<b>Net current assets</b>		<b>776,005</b>	<b>680,180</b>
<b>Net assets</b>		<b>776,005</b>	<b>680,180</b>
<b>Equity</b>			
Share capital	13	100,000	100,000
Retained earnings		676,005	580,180
<b>Total equity</b>		<b>776,005</b>	<b>680,180</b>

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

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

  
 R. J. Morrison  
 Director  
 24 April 2017

## CASH FLOW STATEMENT

For the years ended 31 December

	Note	2016 £	2015 £
Profit before tax		123,767	134,085
Net cash flow before working capital changes		123,767	134,085
Operating activities			
Net change in trade and other receivables		182,250	(174,180)
Net change in trade and other payables		(31,949)	(102,309)
Cash flows from / (used in) from operating activities		274,068	(142,404)
Net increase / (decrease) in cash during the year		274,068	(142,404)
Cash and cash equivalents at beginning of year		1,893,450	2,035,854
Cash and cash equivalents at end of year	11	2,167,518	1,893,450

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



## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The principal accounting policies that have been applied to Gesban UK Limited (the Company) 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 incorporated in the United Kingdom and is part of a European listed group whose ultimate parent is Banco Santander SA, incorporated in Spain.

#### Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards 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.

The Financial Statements have been prepared on the going concern basis using the historical cost convention. An assessment of the appropriateness of the adoption of the going concern basis of accounting is disclosed in the Directors' statement of going concern set out in the Directors' Report.

#### Future accounting developments

There were no significant new or revised standards and interpretations, and amendments thereto relevant to the Company, which have been issued but which are not yet effective.

#### Critical accounting policies and areas of significant management judgment

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

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

There are no critical judgements that the directors have made in the process of applying the Company's accounting policies that have significant effect on the amounts recognised in financial statements.

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

#### Foreign currency translation

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that Company ("the functional currency"). The financial statements are presented in Pounds Sterling (£), as this is the currency of the primary economic environment in which the Company operates. The financial statements of the Company's immediate parent company, Gesban Servicios Administrativos Globales SL are presented in Euros.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

#### Revenue recognition

Revenue represents fees receivable in respect of accounting and invoice payment services provided to affiliates of Banco Santander SA in the United Kingdom.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

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

### 1. ACCOUNTING POLICIES *(continued)*

#### 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, based on the applicable tax law in each jurisdiction is recognised as an expense in the period in which profits arise. Taxable profit differs from net profit as reported in the 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.

#### Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term investments in securities.

#### Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

#### Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Retirement Benefits Schemes

The Company participates in the Santander UK Group Pension Scheme. There is no contractual agreement of stated policy for charging the net defined benefit cost. The contribution to be paid by the Company is calculated as the contributions made by Santander UK plc to scheme in respect of the Company's employees. Details of the scheme and any associated deficit or surplus appear in the financial statements of Santander UK plc which are available from Santander Secretariat (Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN)

The pension expense incurred for the Company is noted in note 5.

### 2. FINANCIAL RISK MANAGEMENT

The Company's risks are managed on a group level by the ultimate parent company, Banco Santander SA.

The financial risk management objectives of and policies of the Group; and the exposure of the company to price risk, credit risk, liquidity risk and cash-flow risk are outlined in the notes to the financial statements of Banco Santander SA.

#### Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations. The main source of credit risk is in the intercompany balances held.

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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*2. FINANCIAL RISK MANAGEMENT *(continued)*

## 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:

	Less than 6 months	6-12 Months	1-5 years	Over 5 years	2016 Total
At 31 December 2016	£	£	£	£	£
Intercompany liabilities	62,227	-	-	-	62,227
Other payables	1,360,587	-	-	-	1,360,587
Total financial liabilities	1,422,814	-	-	-	1,422,814

  

	Less than 6 months	6-12 Months	1-5 years	Over 5 years	2015 Total
At 31 December 2015	£	£	£	£	£
Intercompany liabilities	54,869	-	-	-	54,869
Other payables	1,363,013	-	-	-	1,363,013
Total financial liabilities	1,417,882	-	-	-	1,417,882

## 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 Banco Santander Group ("the Group"). An independent central operational risk function (Enterprise and Operational Risk) has responsibility for establishing the framework within which these risks are managed and is aligned to operational risk professionals within business areas (co-ordinated by IT and Operational Risk) to ensure consistent approaches are applied across the Group. The primary purpose of the framework is to define and articulate the Group-wide policy, processes, roles and responsibilities. The framework incorporates industry practice and regulatory requirements.

The day-to-day management of operational risk is the responsibility of business managers who identify, assess and monitor the risks, in line with the processes described in the framework. The operational risk function ensures that all key risks are regularly reported to the Group's risk fora, risk committee and board of directors.

## 3. DIRECTORS AND EMPLOYEES

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by Santander UK plc, a subsidiary of Banco Santander SA. The Directors' services to the Company are an incidental part of their duties. No emoluments were paid by the Company to Directors during the year (2015: £nil). It is not possible to make an accurate apportionment of the directors remuneration paid by Santander UK plc in respect of each of the subsidiaries.

## 4. COST OF SALES

	2016	2015
	£	£
Staff costs	3,693,656	3,540,438
Professional fees	748,492	1,033,322
Other expenses	9,093	145,319
Total cost of sales	4,451,241	4,719,079

## 5. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	3,058,634	2,946,969
Social security costs	321,672	307,000
Pension costs	313,350	286,469
Total staff costs	3,693,656	3,540,438

The pension contributions made by the Company represent recharges of costs borne by Santander UK plc not direct contributions to any of Santander UK plc's defined benefit schemes.

The average number of persons employed by the Company during the year was as follows:

	Full Time	
	2016	2015
	Number	Number
Total	70	73

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 6. AUDITORS' REMUNERATION

The audit fee payable to the Company's auditors for the audit of the Company's financial statements for the current year is £12,000 (2015: £11,599).

## 7. INTEREST AND SIMILAR INCOME

	2016 £	2015 £
Interest on bank deposits held with related parties	6,853	9,051
Total interest and similar income	6,853	9,051

## 8. TAX

	2016 £	2015 £
<b>Current tax:</b>		
UK corporation tax on profit of the year	24,753	27,153
Adjustments in respect of prior years	12,128	(6,733)
Total current tax charge	36,881	20,420
<b>Deferred tax:</b>		
Change in rate of UK Corporation tax	1,842	2,485
Adjustments in respect of prior years	(10,781)	6,263
Total deferred tax (credit)/ charge	(8,939)	8,748
Tax charge on profit for the year	27,942	29,168

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 Act (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 profit before tax differs (2015: differs) from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2016 £	2015 £
Profit before tax:	123,767	134,085
Tax calculated at a tax rate of 20% (2015: 20.25%)	24,753	27,153
Effect of change in tax rate on deferred tax provision	1,842	2,485
Adjustment in respect of prior year provisions	1,347	(470)
Tax charge for the year	27,942	29,168

## 9. 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 £
At 1 January 2016	22,362	31,110
Income statement credit/ (charge)	8,939	(8,748)
At 31 December 2016	31,301	22,362

Deferred tax assets are attributable to the following items:

	Balance Sheet		Income Statement	
	2016 £	2015 £	2016 £	2015 £
Deferred tax asset				
Other temporary differences	31,301	22,362	8,939	(8,748)
Total deferred tax	31,301	22,362	8,939	(8,748)

The deferred tax asset is expected to reverse in the next 12 months and has therefore been recognised within current assets.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## 10. TRADE AND OTHER RECEIVABLES

	2016 £	2015 £
Amounts due from group companies	-	182,250
Total trade and other receivables	-	182,250

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

## 11. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Deposits with banks	2,167,518	1,893,450
Total cash and cash equivalents	2,167,518	1,893,450

## 12. TRADE AND OTHER PAYABLES

	2016 £	2015 £
Amounts due to group companies	62,227	27,606
Amounts due to group companies (group relief)	39,391	110
Other creditors	18,400	27,000
Accruals	1,278,043	1,336,013
Total	1,398,061	1,390,729

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

## 13. SHARE CAPITAL

	2016 £	2015 £
Issued and fully paid:		
100,000 (2015: 100,000) ordinary shares of £1 each	100,000	100,000

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.

## 14. RELATED PARTY TRANSACTIONS

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

	2016 £	2015 £
Amounts due from group companies		
Santander Asset Management UK Holdings Limited	-	8,100
Santander Asset Management (UK) Limited	-	108,000
SAM Investment Holdings Limited	-	45,900
Besaya ECA Limited	-	5,250
Roc Shipping One Limited	-	15,000
Total due from group companies	-	182,250
Amounts due to group companies		
Santander UK plc	62,227	27,606
Santander UK plc (group relief)	39,391	111
Total due to group companies	101,618	27,717

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.

NOTES TO THE FINANCIAL STATEMENTS 2016 *(continued)*14. RELATED PARTY TRANSACTIONS *(continued)*

The following were transactions with related parties for the years ending 31 December:

Revenue:	2016 £	2015 £
Santander UK plc	3,507,430	3,790,432
ISBAN (UK) Limited	255,692	255,692
Santander Asset Management UK Limited	181,000	171,774
PRODUBAN UK Limited	174,548	174,548
Santander Insurance Services Ireland Limited	36,666	110,000
SAM Investment Holdings Limited	76,500	66,676
GEOBAN UK Limited	61,152	61,152
Broxted Solar Co Limited	-	26,044
Santander Insurance Services UK Limited	47,000	47,000
Santander Consumer (UK) plc	19,584	27,037
Amazonia Trade Limited	18,000	18,000
Besaya ECA Limited	12,000	21,000
Aquanima UK Branch	8,490	8,490
Isban UK Branch	8,490	8,490
Geoban UK Branch	8,490	8,490
SAM UK Investment Holdings Limited	10,054	10,054
WTW Shipping Limited	3,000	3,000
Darep Limited	3,000	3,000
Phoenix C1 Aviation Limited	3,000	5,000
Santander Asset management UK Holdings Limited	13,500	6,750
Santander Fintech Limited	-	27,050
Trans Rotor Limited	25,000	27,083
Merlin Aviation Limited	3,000	3,000
Roc Shipping One Limited	18,000	15,000
Energy Efficient Global Project Limited	5,000	32,467
Santander ISA Managers Ltd	109,394	-
Santander Fintech Limited	21,050	-
Abbey Stock Brokers Ltd	20,000	-
Roc Aviation One	3,000	-
Sazaku Aviation One Ltd	3,000	-
Unicorn Aviation	3,000	-
Total	4,658,040	4,927,229

  

Cost of sales and Other operating expenses:	2016 £	2015 £
Santander UK plc	4,520,710	4,713,222
Total	4,520,710	4,713,222

## 15. CAPITAL MANAGEMENT AND RESOURCES

The Company's ultimate parent, Banco Santander SA adopts a centralised capital management approach, based on an assessment of both regulatory requirements and the economic capital impacts of businesses in the Santander group. Disclosures relating to the groups capital management can be found in the Banco Santander Annual Report and financial statements.

## 16. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Gesban Servicios Administrativos Globales SL, a company registered in Spain.

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. Gesban SA is the parent undertaking of the smallest group of undertakings for which the group financial statements are drawn up and of which the Company is a member.

Copies of all sets of group financial statements, which include the results of the Company, are available from Secretariat (Santander UK plc), 2 Triton Square, Regents Place, London, NW1 3AN.