

A & L CF JUNE (3) LIMITED

Registered in England & Wales
Company Number 02345838

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE 18 MONTH PERIOD ENDED
31 DECEMBER 2022

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REPORT OF THE DIRECTORS

The Directors submit their annual report together with the unaudited financial statements for the 18 month period ended 31 December 2022. Comparatives are presented for the year ended 30 June 2021. During the period, the Directors changed the accounting reference date to align to the reporting requirements of the parent undertaking.

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 exempt from preparing a Strategic Report in accordance with Section 414B of the Companies Act 2006.

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 period/year

The principal activity of A & L CF June (3) Limited (the Company) was that of a lessor and financier of one asset to one corporate customer within the shipping industry. The Company did not undertake any trading activity in the current period and the Directors intend to liquidate the Company shortly.

Results and dividends

The loss before tax for the 18 month period to 31 December 2022 amounted to £nil (2021: year to 30 June 2021, loss of £3,174,246).

In June 2022, the Company paid an interim dividend of £3,260,604 to its parent, Santander Asset Finance plc. The Directors do not recommend the payment of a final dividend (year to 30 June 2021: nil).

Uncertain macroeconomic and geopolitical environment

In the past few years, a number of broader, more complex and uncertain risks have evolved which may present future headwinds. These include geopolitical tensions between regions across the world, in particular the current conflict in the Ukraine. This has impacted global energy prices and supply chains which added to inflationary pressures, as well as stretching household finances. These risks accelerate trends towards deglobalisation, and a reduction of variety of goods and services, causing prices to increase over the medium to long-term. These factors are also playing into increased localised political risk across the globe, including in the UK with a second new Prime Minister in 2022.

The Company is closely following these developments and the potential for any material impacts, which may need to be taken into consideration in its business plans and intends to take a coordinated approach with the other members of the Santander UK plc group.

Directors

The Directors who served throughout the 18 month period and to the date of this report (except as noted) were as follows:

SD Affleck
H Reindi
DJ Layhe (Resigned 25 November 2022)

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 period/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.

REPORT OF THE DIRECTORS (continued)

Statement of going concern and financial management

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, 4 and 8 to the financial statements include the Company's financial risk management objectives; its exposures to credit risk and liquidity risk; and its policies and processes for managing its capital.

During the previous year ended 30 June 2021, the finance agreement with the Company's single customer was terminated and the single asset on which the lease was secured was sold. The Company also fully repaid its trading loan with the parent company, Santander Asset Finance plc as part of this arrangement.

Following the customer loan repayment, the Company ceased trading. It is the intention of the Directors to liquidate the Company shortly.

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 which includes, where appropriate, writing down the entity's assets to net realisable value. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported

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 period/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, balance sheet total and number of employees.

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 remained in force throughout the period/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 Group Holdings plc.

On behalf of the Board



SD Affleck
Director

25 April 2023

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

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2022

		18 month period ended 31 December 2022	Year ended 30 June 2021
	Note	£	£
Revenue		-	51,753
Commission on disposal of lease asset		-	96,640
GROSS PROFIT		-	148,393
Administrative expenses		-	(84,538)
Loss on termination and disposal of lease asset		-	(2,811,032)
LOSS FROM OPERATIONS	5	-	(2,747,177)
Finance costs	6	-	(427,069)
LOSS BEFORE TAX		-	(3,174,246)
Tax credit	7	-	682,479
LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD/ YEAR		-	(2,491,767)

All results arise from discontinued operations

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

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2022

	Issued capital £	Retained earnings £	Total equity £
Balance at 1 July 2020	100	5,752,371	5,752,471
Loss for the year and total comprehensive expense	-	(2,491,767)	(2,491,767)
Balance at 30 June 2021	100	3,260,604	3,260,704
Balance at 1 July 2021	100	3,260,604	3,260,704
Dividends paid	-	(3,260,604)	(3,260,604)
Loss for the period and total comprehensive expense	-	-	-
Balance at 31 December 2022	100	-	100

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

BALANCE SHEET

As at 31 December 2022

	Note	31 December 2022 £	30 June 2021 £
ASSETS			
NON CURRENT ASSETS			
Deferred tax	10	-	78,536
		-	78,536
CURRENT ASSETS			
Amounts owed by related parties	9	100	3,260,704
		100	3,260,704
TOTAL ASSETS		100	3,339,240
LIABILITIES			
CURRENT LIABILITIES			
Corporation tax liabilities		-	(78,536)
		-	(78,536)
TOTAL LIABILITIES		-	(78,536)
TOTAL NET ASSETS		100	3,260,704
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	11	100	100
Retained earnings		-	3,260,604
TOTAL EQUITY		100	3,260,704

For the period ending 31 December 2022, 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 period 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.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

The financial statements on pages 3 to 13 were approved by the Board of Directors on 25 April 2023 and signed on its behalf by:



SD Affleck
Director
25 April 2023

CASH FLOW STATEMENT

For the period ended 31 December 2022

	Notes	18 month period ended 31 December 2022 £	Year ended 30 June 2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Total loss for the period/ year		-	(2,491,767)
NON-CASH ADJUSTMENTS			
Management charges paid to parent undertakings		-	84,538
Loss on termination of finance lease	5	-	2,811,032
		-	2,895,570
Net change in operating assets and liabilities			
Decrease in financial assets at amortised cost		-	2,427,803
Decrease in group relief receivable		-	1,581,267
Decrease in deferred tax asset/(decrease) in deferred tax liability		78,536	(17,827,047)
(Decrease)/ Increase in corporation tax liabilities		(78,536)	78,536
		-	(13,739,441)
NET CASH FLOWS FROM OPERATING ACTIVITIES		-	(13,335,638)
CASH FLOWS FROM INVESTING ACTIVITIES			
Repayments made by related parties		3,260,604	-
Proceeds from the disposal of finance lease asset	5	-	91,949,051
CASH FLOWS GENERATED BY INVESTING ACTIVITIES		3,260,604	91,949,051
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayments made to related parties		-	(78,274,970)
Interest paid to parent undertakings		-	(338,443)
Dividends paid		(3,260,604)	-
CASH FLOWS USED IN FINANCING ACTIVITIES		(3,260,604)	(78,613,413)
NET INCREASE IN CASH AND CASH EQUIVALENTS		-	-
Cash and cash equivalents at start of period/ year		-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD/ YEAR		-	-

The cash movements reflected above were received and paid through a bank account held by a fellow group undertaking.

In the year ended 30 June 2021, loan repayments made to related parties included movements associated with the tax credit of £682,479. At the same time, corporation tax payments of £17,066,032 were settled by Santander UK plc on behalf of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

General information

The Company is a private company with liability 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.

The Company is FCA registered (reference number 484629) for anti-money laundering purposes only.

Basis of preparation

These financial statements are prepared for the Company under the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention and subsequently measured at net realisable value.

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

Going concern

During the previous year ended 30 June 2021, the finance agreement with the Company's single customer was terminated and the lease asset disposed of. The Company fully repaid its trading loan with the parent company, Santander Asset Finance plc from the proceeds of sale of the lease asset as part of this arrangement.

Following the customer loan repayment, the Company ceased trading. It is the intention of the Directors to liquidate the Company shortly.

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 which includes, where appropriate, writing down the entity's assets to net realisable value. Preparation of the financial statements on an "other than going concern" basis has had no impact on the amounts reported.

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 period/year.

Recent accounting developments

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB amended IAS 1 'Presentation of Financial Statements' to require entities to disclose their material rather than their significant accounting policies. To support this amendment, the IASB also amended IFRS Practice Statement 2 'Making Materiality Judgements' to provide guidance on how to apply the concept of materiality. The amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendments have been applied in preparing these financial statements and, consequently, only material accounting policy information is disclosed.

Future accounting developments

At 31 December 2022, for the Company, there were no significant new or revised standard and interpretations, and amendments thereto, 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 in preparing these financial statements. These policies have been consistently applied to all periods/years presented, unless otherwise stated.

Revenue recognition

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. 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. All such revenue is reported net of discounts and value added and other sales taxes.

The Company recognises lease income based on a pattern reflecting a constant periodic rate of return (IRR) on the net investment in the lease. Any changes in variable assumptions under the terms of the lease result in a change to the IRR. The effects of any changes from applying the revised IRR to income recognised in respect of the lease in prior years is recognised immediately within revenue in the year in which the IRR changes without restating prior period comparatives.

When a lease is terminated, lease income is recognised up to the point of termination. The underlying lease asset is disposed of and the company recognises commission income on the disposal of the lease asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

Leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

If the lease agreement transfers the risk and rewards of the asset, the lease is recorded as a finance lease and the related asset is capitalised. At inception, the asset is recorded at the lower of the present value of the minimum lease payments or fair value and depreciated over the lower of the estimated useful life and the life of the lease. The aggregate benefit of incentives, if any, is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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 statement of comprehensive income, 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.

Effective interest method

Interest expense on financial assets and liabilities held at amortised cost is measured using the effective interest rate method, which allocates the interest income or interest expense over the contractual life of the lease agreements. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the contractual life of the financial instrument to the net carrying amount on initial recognition.

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. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost.

1) Classification and subsequent measurement

The Company applies IFRS 9 Financial Instruments and classifies its financial assets in the measurement category of amortised cost.

The Company holds no financial assets or liabilities measured at fair value, in either the current period or preceding year end date.

Financial assets: debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans. Classification and subsequent measurement of debt instruments depend on the Company's business model for managing the asset, and the cash flow characteristics of the asset.

Business model

The business model reflects how the Company manages the assets in order to generate cash flows and, specifically, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of the assets. Factors considered in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to key management personnel and how risks are assessed and managed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

7. TAX CREDIT

	18 month period ended 31 December 2022 £	Year ended 30 June 2021 £
Current tax		
UK corporation tax charge on loss for the period/ year	-	17,144,568
Adjustments in respect of prior years	(78,536)	-
Total current tax	(78,536)	17,144,568
Deferred tax		
Origination and reversal of temporary differences	-	(17,827,047)
Adjustments in respect of prior years	78,536	-
Total deferred tax	78,536	(17,827,047)
Tax credit on loss for the period/ year	-	(682,479)

UK corporation tax is calculated at 19% (year ended 30 June 2021: 19%) of the estimated assessable profits/(losses) for the period/year

The UK government announced in its budget on 3 March 2021 that it would increase the main rate of corporation tax by 6% to 25% with effect from 1 April 2023

The tax on the Company's profit/ (loss) before tax is the same as (year ended 30 June 2021: differs from) the theoretical amount that would arise using the basic tax rate of the Company as follows.

	18 month period ended 31 December 2022 £	Year ended 30 June 2021 £
Loss before tax	-	(3,174,246)
Tax calculated at a rate of 19% (2020: 19%)	-	(603,107)
Non-taxable income	-	(79,372)
Tax credit for the period/year	-	(682,479)

8. CAPITAL MANAGEMENT

Santander UK plc is the parent company of the Company's parent, Santander Asset Finance plc. 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 Santander UK plc group

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

9. RELATED PARTY TRANSACTIONS

Trading activities

	31 December 2022 £	30 June 2021 £
Amounts owed by related parties		
Santander Asset Finance plc	100	3,260,704
	100	3,260,704

Amounts owed by related parties

The balance owed by Santander Asset Finance plc is unsecured and interest free

During the period, the Company paid an interim dividend of £3,260,604 which was settled by netting it against amounts owed by the parent, Santander Asset Finance plc. Consequently, amounts by related parties fell by £3,260,604

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

3. RISK MANAGEMENT POLICY AND CONTROL FRAMEWORK

The Company is exposed to a variety of risks, the most significant is credit risk. The Company managed its risk in line with the central risk management function of the Santander UK plc Group. Santander UK plc Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK plc Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Santander UK plc 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 plc 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.

4. RISK MANAGEMENT DISCLOSURES**Credit risk**

Credit risk is the risk of loss arising from a counterparty failing to meet their financial obligations to the Company as and when they fall due.

Maximum exposure to credit risk

Note 9 provides details of the balances owed by Group undertakings. At the balance sheet date, the Company's only credit risk is in relation to amounts owed by the parent company, Santander Asset Finance plc. The credit risk is considered low and consequently, no ECL is provided against this balance. The balance is unsecured, interest free and repayable on demand.

5. LOSS FROM OPERATIONS**Loss on termination and disposal of lease**

During the previous year ended June 2021, the finance agreement with the Company's single customer was terminated by the customer. The underlying lease asset was sold to the customer for £96,640,000. The termination deed included provisions for a rebate of rentals of £4,594,309 payable to the customer resulting in a net payment of £92,045,691 to the Company. The payment included commission on the sale of £96,640 payable to the Company and a termination sum of £91,949,051. As a result of the rebate of rentals, the Company generated a loss on disposal of £2,811,032.

Directors' emoluments

No Directors were remunerated for their services to the Company. Directors' emoluments are borne by the intermediate UK parent company, Santander UK plc. The Directors' services to the Company are an incidental part of their duties. No emoluments were paid by the Company to the Directors during the period (Year ended 30 June 2021: £nil).

Auditors' remuneration

In the previous year ended June 2021, auditors' remuneration of £20,500 was borne by the intermediate UK parent company Santander UK plc.

No non-audit fees were borne on the Company's behalf in either the current period or preceding year.

Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the period or the preceding year. The Company had no employees in either the current period or the preceding year.

6. FINANCE COSTS

	18 month period ended 31 December 2022	Year ended 30 June 2021
	£	£
Interest payable to Santander Asset Finance plc	-	338,443
Interest payable to HM Revenue & Customs	-	88,626
	-	427,069

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

7. TAX CREDIT

	18 month period ended 31 December 2022 £	Year ended 30 June 2021 £
Current tax		
UK corporation tax charge on loss for the period/ year	-	17,144,568
Adjustments in respect of prior years	(78,536)	-
Total current tax	(78,536)	17,144,568
Deferred tax		
Origination and reversal of temporary differences	-	(17,827,047)
Adjustments in respect of prior years	78,536	-
Total deferred tax	78,536	(17,827,047)
Tax credit on loss for the period/ year	-	(682,479)

UK corporation tax is calculated at 19% (year ended 30 June 2021: 19%) of the estimated assessable profits/(losses) for the period/year.

The UK government announced in its budget on 3 March 2021 that it would increase the main rate of corporation tax by 6% to 25% with effect from 1 April 2023.

The tax on the Company's profit/ (loss) before tax is the same as (year ended 30 June 2021: differs from) the theoretical amount that would arise using the basic tax rate of the Company as follows

	18 month period ended 31 December 2022 £	Year ended 30 June 2021 £
Loss before tax	-	(3,174,246)
Tax calculated at a rate of 19% (2020: 19%)	-	(603,107)
Non-taxable income	-	(79,372)
Tax credit for the period/year	-	(682,479)

8. CAPITAL MANAGEMENT

Santander UK plc is the parent company of the Company's parent, Santander Asset Finance plc. 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 Santander UK plc group.

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

9. RELATED PARTY TRANSACTIONS

Trading activities

	31 December 2022 £	30 June 2021 £
Amounts owed by related parties		
Santander Asset Finance plc	100	3,260,704
	100	3,260,704

Amounts owed by related parties

The balance owed by Santander Asset Finance plc is unsecured and interest free

During the period, the Company paid an interim dividend of £3,260,604 which was settled by netting it against amounts owed by the parent, Santander Asset Finance plc. Consequently, amounts by related parties fell by £3,260,604.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

9. RELATED PARTY TRANSACTIONS (continued)

The Company entered into transactions with other related parties as shown in the table below.

	£
Amounts owed to related parties	
As at 1 July 2020	75,268,171
Net movements	(75,268,171)
As at 30 June 2021 and 31 December 2022	-

	18 month period ended 31 December 2022 £	Year ended 30 June 2021 £
Interest paid to Santander Asset Finance plc	-	338,443

Key management compensation

As detailed in note 5 the Company had no employees in either the current period or preceding year and the Directors are remunerated through Santander UK plc therefore no key management compensation was paid by this Company

Administration expenses

During the current period the Company paid administrative cost recharges to parent undertakings of £nil (Year ended 30 June 2021: £84,538).

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:

	£
Liability as at 1 July 2020	(17,748,511)
Income Statement credit (note 7)	17,827,047
Asset as at 30 June 2021 and 1 July 2021	78,536
Income statement charge (note 7)	(78,536)
At 31 December 2022	-

Deferred tax assets/ (liabilities) are attributable to the following items:

	Balance Sheet		Income Statement	
	31 December 2022	30 June 2021	18 month period ended 31 December 2022	Year ended 30 June 2021
	£	£	£	£
Deferred tax assets	-	-	-	17,838,267
Accelerated book depreciation	-	-	-	(11,220)
IFRS 9 transitional adjustments	-	78,536	(78,536)	17,827,047
	-	78,536	(78,536)	

11. ISSUED SHARE CAPITAL

	As at 31 December 2022 No	As at 31 December 2022 £	As at 30 June 2021 No	As at 30 June 2021 £
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

All issued share capital is classified as equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

12. CONTINGENT LIABILITIES

Capital support arrangements:

At 31 December 2022, Santander UK plc (RFB), Cater Allen Limited, Santander ISA Managers Limited and certain other non-regulated subsidiaries within the RFB, including the Company, 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.

13. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Santander Asset Finance plc, 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 parent undertaking of the smallest Group of undertakings for which 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 the Corporate Governance Office, Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN