SANTANDER ISA MANAGERS LIMITED

Registered in Scotland

Company Number: SC151605

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2024

STRATEGIC REPORT

The Directors submit the Strategic Report together with their Directors' Report and the audited financial statements for the year ended 31 December 2024.

Fair review of the Company's business and key performance indicators

The principal activity of Santander ISA Managers Limited (the Company) is to distribute a range of investment products to UK retail clients and to act as the platform service provider and stocks & shares ISA manager for investments on the Santander Investment Hub including investments advised through the Santander UK plc financial planning service. The Company is a private limited company authorised and regulated by the Financial Conduct Authority (FCA).

The Investment Hub is an online platform that allows customers the ability to invest in a wide variety of investments and manage those investments online. All advised business from the Santander UK plc Financial Planning service is serviced on the Investment Hub, including investments through both the financial planning and Santander Private Banking divisions. The Company is part of the Retail Banking division of Santander UK plc.

The Company made a profit after tax for the year of £5,434,300 (2023: £5,493,894). The primary source of revenue continues to be platform fees charged for Investment Hub holdings. Revenue increased by 2.4% compared to the previous year. Lower profit performance was driven by costs increasing at a higher rate than revenue, mainly due to inflationary pressures coupled with a higher rate of corporation tax. In addition, employment costs and external platform fees were significantly higher than for the prior year.

At 31 December 2024, the Company had net assets of £38,917,444 (2023: £48,483,144). The Company paid an interim dividend during the year of £15,000,000 in respect of the current year (2023: £nil).

Santander UK plc is the immediate parent company and is incorporated in the United Kingdom. The ultimate parent company is Banco Santander SA, a company incorporated in Spain.

The Company, together with Santander UK plc and other subsidiaries of Santander UK plc, form the Ring-Fenced Bank group (the RFB Group). Santander UK Group Holdings plc group (the Santander UK Group) constitute both the ring-fenced and non ring-fenced UK operations. The RFB Group manages its operations on a divisional basis. For this reason, the Directors of the Company 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 RFB Group, which include the Company, are discussed in the Santander UK Group Holdings plc Annual Report which does not form part of this 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. Nothing in this report should be construed as a profit forecast.

Companies Act 2006 s. 172 (1) statement

The RFB Group, including the company, is committed to ensuring that stakeholder interests continue to be embedded in all aspects of decision-making across the RFB 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 plc, the Company adheres to the policies and standards set by the Santander UK plc Board. To support efficiency and ensure a consistent approach, engagement with stakeholders on issues and decisions which have an impact across the overall RFB Group is conducted at the RFB Group level. 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 plc Board's deliberations and decision making in the Santander UK plc 2024 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 Company's 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 RFB Group strategy. The Board also regularly reviews management information on the progress made by the Company in delivering on this strategy, as well as reporting on business, financial and operational performance and key risks and compliance issues which supports the Directors in staying sighted on stakeholder outcomes and feedback.

The Santander UK plc Board, along with the Company's Board, has identified five key stakeholder groups whose interests and needs it regularly considers. These stakeholders are our customers, employees, investors, regulators and communities. Careful consideration was given to these stakeholders, whilst keeping the customer at the heart of the strategic decision-making process. Set out below are some examples of how the Company's Directors have paid due regard to the interests of these stakeholders during the year under review.

STRATEGIC REPORT (continued)

S.172 Statement (continued)

The Directors continue to undertake numerous activities to discharge their duties in relation to section 172. Continued focus on simplification of the customer experience and improvement to the investment platform and associated journeys are intended to provide customers with a clear and easy way to access investment products. The Company is pleased to report the successful compliance with all regulatory deadlines for new implementations of regulatory requirements and for regulatory reporting obligations in 2024, in particular with regards Consumer Duty regulation. Through continued and focussed attention to customer experiences and outcomes, the Board continues to ensure developments and innovations are designed, built and delivered with customer consideration at every step. Adobe analytics data is used to understand customer behaviours and funnel fallout. Dynatrace observability software is also used which gives us real time application insights on particular journeys. User Zoom is also used by our journey managers to communicate with target customers to improve the user experience. All of these tools help inform the Company's backlog developments.

We also undertake customer research and test different hypotheses to ensure strong user experiences are created both on our website, in app and on the Investment Hub. In 2024 bespoke customer research was undertaken on ready-made investments, due to be launched in Q2 2025.

The Board is also pleased to recognise the continued focus on work to support People and the Planet, in particular supporting local communities and a continued partnership with National Parks via other related party undertakings.

Uncertain Macro-economic and Geopolitical Environment

UK Political risks: there will be increased costs to businesses as a result of increased employers National Insurance (NI) which will also flow through to customers and the wider economy. The Santander UK Group's Public Affairs team regularly engages with government officials to understand policy direction, and we allow for consideration of any potential financial and other impacts within the Company's business plans.

US Political risks (Deregulation): although the fine details of the new Republican administration's policy agenda have not yet been formalised, there are directional signals: increased energy production; lower corporation tax rates; variable trade tariff rates on imports; and deregulation policies.

The US announced wide ranging import tariffs on many countries around the world on 2 April 2025. The tariffs announcements have caused significant volatility on global stock markets and the situation remains uncertain as higher tariff rates have since been paused whilst the US/ China tariff position remains unclear.

The Company is monitoring the situation closely and performs stress testing on a range of different scenarios. The impact of changing tariff rates is not expected to have an impact on the going concern assumptions of the Company and any negative impact of customer disinvestment in stocks and shares is partially offset by interest earned on customer deposits held within the ISA tax wrapper.

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.

Strategic and Business Risk is managed at the RFB Group level, with the focus on maintaining a low to medium risk appetite; review of risks to ensure the Company stays within its risk appetite range; mitigation of risk through having a clear and consistent strategy and an effective planning process; and thorough risk monitoring and management. Further information can be found within the Santander UK plc Annual Report.

On behalf of the Board

Stephen Affleck
Director
22nd April 2025

Registered Office Address: 287 St. Vincent Street, Glasgow, G2 5NB.

REPORT OF THE DIRECTORS

The Directors submit their report together with the Strategic Report and audited financial statements for the year ended 31 December 2024.

Principal activities

The principal activities of Santander ISA Managers Limited are to act as the platform service provider and stocks & shares ISA manager for investments on the Santander Investment Hub including investments advised through the Santander UK plc financial planning service. The Company is a private limited company regulated by the FCA.

Results and dividends

The profit for the year amounted to £5,434,300 (2023: £5,493,894).

The Company paid an interim dividend during the year of £15,000,000 in respect of the current year (2023: £nil). The Directors do not recommend the payment of a final dividend in respect of the current year (2023: £nil).

Directors

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

J Dunne	(resigned 31 January 2025)
SD Affleck	
A Kilby	(resigned 31 October 2024)
SF Livingston	

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements (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.

The directors are responsible for the maintenance and integrity of the company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Financial instruments

The Company manages its risk in line with the central risk management function of the RFB Group. The RFB Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the RFB Group's regulators.

The Company's financial instruments comprise cash balances and various items such as debtors and creditors that arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

REPORT OF THE DIRECTORS (continued)

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

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 14 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk, market risk & 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.

Likely future developments

Santander ISA Managers Limited continues to enhance and expand the range of services offered on the Investment Hub, with plans to increase customer numbers through both the direct digital channel and through Santander UK plc advised distribution. The primary focus for the direct digital channel during 2025 is to optimise key areas of the customer experience to improve both conversion and activation, where technology and data will be leveraged to drive improved customer outcomes; namely deploying an improved onboarding experience so that customers are instantly recognised and their personal details pre-populated, and placing ready-made investments front and centre, so new to investing customers can simply choose a fund. In addition, further features to the Company's new Persona Pension will deliver in 2025 enabling customers to service their decumulation needs to plan effectively for their retirement.

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 the 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.

Streamlined Energy and Carbon Reporting (SECR)

SECR is considered and managed at a Santander UK Group level. Information on the annual energy use and associated greenhouse gas emissions of the Santander UK Group (including the Company) is set out in the Sustainability Review section of the Santander UK Group Holdings plc 2024 Annual Report.

Independent Auditors

In accordance with Sections 485 and 487 of the Companies Act 2006, PricewaterhouseCoopers LLP are re-appointed as auditors of the Company.

On behalf of the Board

Stephen Affleck
Director
22nd April 2025

Registered Office Address: 287 St. Vincent Street, Glasgow G2 5NB

Independent auditors' report to the members of Santander ISA Managers Limited

Report on the audit of the financial statements

Opinion

In our opinion, Santander ISA Managers Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2024; the Statement of Comprehensive Income, the Cash Flow Statement, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the rules of the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and relevant tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias in the determination of accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings of the board of directors related to compliance with laws and regulations;
- Inspection of correspondence with and reports to regulatory authorities, including the Financial Conduct Authority;
- Identifying and testing journal entries meeting specific risk criteria;
- Challenging assumptions and judgements made by management in their accounting estimates, in particular in relation to the accrual of platform fee revenue earned but not invoiced;
- Obtaining confirmations from third parties to confirm the existence of a sample of balances; and
- Incorporating unpredictability into the nature, timing and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

T Walsh

Thomas Walsh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 April 2025

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 £	Restated 2023* £
Revenue	3	**17,723,607**	17,312,859
Net interest income	4	**4,685,297**	3,113,541
Administrative expenses	5	**(15,157,567)**	(13,244,776)
Profit before tax		**7,251,337**	7,181,624
Tax charge	6	**(1,817,037)**	(1,687,730)
Profit for the year		**5,434,300**	5,493,894
Total comprehensive income for the year		**5,434,300**	5,493,894

* See Restatements note 17.

All of the above amounts relate to continuing operations.

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

BALANCE SHEET

As at 31 December 2024

	Note	2024	2023
		£	£
CURRENT ASSETS			
Trade and other receivables	8	3,094,469	3,075,006
Cash and cash equivalents	9	44,538,284	50,868,902
TOTAL ASSETS		47,632,753	53,943,908
CURRENT LIABILITIES			
Trade and other payables	10	(5,210,590)	(3,773,082)
Current tax		(3,504,719)	(1,687,682)
TOTAL LIABILITIES		(8,715,309)	(5,460,764)
NET CURRENT ASSETS		38,917,444	48,483,144
NET ASSETS		38,917,444	48,483,144
EQUITY			
Share capital	11	5,000,000	5,000,000
Retained earnings		33,917,444	43,483,144
TOTAL EQUITY		38,917,444	48,483,144

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

The financial statements on pages 8 to 23 were approved by the Board of Directors on 22nd April 2025 and signed on its behalf by:

Stephen Affleck
Director
22nd April 2025

CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	2024 £	Restated 2023* £
OPERATING ACTIVITIES			
Profit before tax		7,251,337	7,181,624
Adjustments for:			
Net interest income	4	(4,685,297)	(3,113,541)
Operating cash flows before movement in working capital		2,566,040	4,068,083
Changes in operating assets and liabilities:			
(Increase)/ decrease in trade and other receivables	8	(47,800)	150,108
Increase/ (decrease) in trade and other payables	10	1,437,510	(1,362,233)
		3,955,750	2,855,958
Net Interest received	4	4,713,632	3,038,663
Net cash flow generated from operating activities		8,669,382	5,894,621
FINANCING ACTIVITIES			
Dividends paid		(15,000,000)	-
Net cash flow used in financing activities		(15,000,000)	-
Net (decrease)/ increase in cash and cash equivalents		(6,330,618)	5,894,621
Cash and cash equivalents at beginning of year		50,868,902	44,974,281
CASH AND CASH EQUIVALENTS AT END OF YEAR	9	44,538,284	50,868,902

* See Restatements note 17.

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

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital (note 11) £	Retained Earnings £	Total Equity £
Balance at 1 January 2023	5,000,000	37,989,250	42,989,250
Total comprehensive income for the year	-	5,493,894	5,493,894
Balance at 31 December 2023	5,000,000	43,483,144	48,483,144
Balance at 1 January 2024	5,000,000	43,483,144	48,483,144
Total comprehensive income for the year	-	5,434,300	5,434,300
Interim dividends paid	-	(15,000,000)	(15,000,000)
Balance at 31 December 2024	5,000,000	33,917,444	38,917,444

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

These financial statements are prepared for Santander ISA Managers Limited (the Company) under the Companies Act 2006.

General information

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in Scotland. The Company is owned by Santander UK plc whose ultimate parent is Banco Santander SA. The registered office address of the Company is 287 St. Vincent Street, Glasgow, G2 5NB.

Basis of preparation

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards (IAS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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

Going concern

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.

Recent accounting developments

There were no significant new or revised pronouncements, which became effective from 1 January 2024, which impacted these financial statements.

Future accounting developments

The IASB issued the following new/amended accounting standards which are not yet effective and have not been endorsed for use in the UK:

– Effective 1 January 2026: 'Amendments to the Classification and Measurement of Financial Instruments' (Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures') - the amendments set out changes to settling financial liabilities using an electronic payment system, assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features and requiring additional disclosures for certain financial instruments.

– Effective 1 January 2027: IFRS 18 'Presentation and Disclosure in Financial Statements' – the new standard will replace IAS 1 'Presentation of Financial Statements' and introduces changes to the categories for classifying income and expenses and subtotals presented in the income statement and new or amended disclosures in respect of management-defined performance measures and specified expenses by nature.

– Effective 1 January 2027: IFRS 19 'Subsidiaries without Public Accountability' – the new standard specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The Company is assessing these new/amended accounting standards to determine the potential impacts on the financial statements when they become effective or if they are otherwise earlier adopted when available.

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 years presented, unless otherwise stated.

Those material accounting policies which involve the application of judgements or accounting estimates that are determined to be critical to the preparation of these financial statements are set out in the section headed "Critical judgements and accounting estimates".

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents platform fees earned by the Company from customers making use of the Santander Investment Hub.

All fee revenue is earned on trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans, and other institutions.

Platform fees are based on the value of the customer investments in funds, excluding any cash money held in cash only accounts or any cash held in either the Stocks and Shares ISA or the Investment accounts. Fees are calculated and earned on a daily basis but charged half yearly in arrears. The actual amount paid half yearly varies as the value of the investment funds change on a daily basis due to market movements, further investments and any customer withdrawals. As the charge represents a performance obligation over time, it is recognised as income on a monthly basis, in accordance with the contractual obligations, as earned.

Platform fee accrued revenue is calculated for the period from last settlement up to the end of the reporting period, based on the value of customer assets held and taking into consideration the time period of calculation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

Net Interest income

Net interest income, including that relating to cash held in client money bank accounts, is interest income stated net of finance costs and is recognised as it is earned and charged by reference to the balance invested and the effective interest rates applicable. The Company recognises net interest income in its capacity as an agent in respect of the client monies held. The Group's Pricing Committee determines the margin to recognise as net interest income based on interest rates offered by Santander UK plc and third party banks and rates offered to customers.

Financial Instruments

i) 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.

ii) Classification and subsequent measurement

The Company classifies its financial assets in the measurement category of amortised cost. The Company holds no financial assets or liabilities measured at fair value.

Financial assets: amortised cost

The Company's financial assets that are measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Trade and other receivables

Trade and other receivables consist of accrued platform fees generated from the Santander Investment Hub and accrued interest from bank deposits. The recognition of platform fees is discussed in further detail under revenue as above.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held with banks.

Client money is legally segregated from Company own funds in accordance with Financial Conduct Authority ("FCA") requirements. Clients bear the risk of loss of the invested funds. The Company is not required to make good any loss out of its own funds. The Company has no access to the funds for the purpose of executing transactions other than the transfer of funds to and from clients. Clients have the right to economic returns on the funds invested at rates formally agreed between the Company and the clients.

The Company is required to hold these amounts in accordance with FCA Client Asset Rules. The Company had no beneficial interest in these deposits and accordingly, they are not included in the balance sheet.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost. The financial liabilities of the Company comprise trade and other payables. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. The amounts are unsecured.

iii) Impairment of financial assets

Expected credit losses are recognised on all financial assets at amortised cost. The expected credit loss considers forward looking information to recognise impairment allowances earlier in the lifecycle of a product. The measurement of ECL reflects:

–An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
–The time value of money; and
–Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of ECL is calculated using three main components: (i) probability of default (PD), (ii) loss given default (LGD) and (iii) the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD. The lifetime PD represent the PD occurring over the remaining maturity of the instrument. The EAD represents the expected balance at default. The LGD represents expected losses on the EAD in the event of default.

The expected credit losses for trade and other receivables without a significant funding component is measured at an amount equal to lifetime expected credit losses, in accordance with the simplified approach in IFRS 9. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Trade and other receivables consist of accrued platform fees which are collected in May and November. In practice, the Company can recoup fees though various means and this results in there being negligible ECL against trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES (continued)

iv) 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 income taxes

Income tax payable on profits is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred and current tax assets and liabilities are only offset when, and only when, they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Critical judgements and accounting estimates

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 on-going 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.

The following estimates and judgements are considered important to the portrayal of the Company's financial condition:

Santander Investment Hub Revenue

Management estimate the value of revenue earned but not invoiced from the investment hub by applying a platform service fee at a tiered rate. The percentage is estimated based upon the value of the client assets and the fee percentage thresholds.

Non-recognition of client money

The Company places its client money (money held on behalf of retail clients) with third-party banks. It also places some client money with Santander UK plc. Interest is earned on these accounts. Custody of client assets and client money is strictly controlled to ensure correct segregation of funds and interest earnings thereon.

Client money is legally segregated from Company own funds in accordance with Financial Conduct Authority ("FCA") requirements. Clients bear the risk of loss of the invested funds. The Company is not required to make good any loss out of its own funds. The Company has no access to the funds for the purpose of executing transactions other than the transfer of funds to and from clients. Clients have the right to economic returns on the funds invested at rates formally agreed between the Company and the clients.

The Company is required to hold these amounts in accordance with FCA Client Asset Rules. The Company had no beneficial interest in these deposits and accordingly, they are not included in the balance sheet.

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

Strategic and Business Risk is managed at the Santander UK Group level. The focus is on maintaining a low to medium risk appetite; reviewing risks to ensure SIM stays within its risk appetite range; mitigating risk through having a clear and consistent strategy and an effective planning process; and monitoring and managing risk. All material risk exposures, either on-balance sheet or off-balance sheet, are Identified, Assessed, Managed and Reported in a timely and accurate manner. Material risks are risks that have material impacts. These key processes are aligned to the Banco Santander S.A. set of processes within the Group Risk Framework.

2. RISK MANAGEMENT (continued)

SIM uses the 'three lines of defence' model to manage risk. This model is widely used in the banking industry and has a clear set of principles. It does this by separating risk management, risk control and risk assurance:

Line 1: Business Units and Business Support Units. These identify, assess and manage the risks which originate and exist in their areas, within our Risk Appetite.
Line 2: Risk Control Units. These are independent monitoring and control functions. They are under the executive responsibility of the Chief Executive Officer, but responsible to the Chief Risk Officer, for overseeing the first line of defence. They make sure Business Units and Business Support Units manage risks effectively and within our Risk Appetite. The Risk Control Units are: Financial Crime; Conduct & Compliance (who are responsible for controlling reputational and conduct & regulatory risks); Legal; and Risk (who are responsible for controlling credit, market, liquidity, capital, pension, strategic and business, operational and model risks).
Line 3: Internal Audit. This is an independent corporate function. It gives assurance on the design and effectiveness of our risk management and control processes. Although each of the three lines of defence has a separate organisational structure and a degree of independence, they should collaborate where necessary to ensure the objectives of the business are met. A thorough Internal Risk Management & Control System is in place to enable effective risk management and control in accordance with the agreed overriding principles, minimum standards, risk appetite, policies, mandates and delegated authorities.

The SIM Board recognises that risks will be present throughout the activities that SIM undertakes. The SIM Board is responsible for making sure that SIM has a robust Governance and Risk Management Framework in place. This is intended to make sure that risks are adequately identified, assessed, and mitigated. This is ultimately to make sure that clients' and SIM's own assets are suitably protected. The SIM Board is the 'responsible body' under the Internal Capital and Risk Assessment (ICARA) process. These are the processes that a firm must follow to identify and manage potential material harms.

Additionally, there is a SIM Risk Meeting which reports directly to the SIM Board. The monthly SIM Risk Meeting is responsible for ensuring the effective management of risks. This should enable SIM to achieve its business objectives in accordance with Santander Risk Frameworks, policies and standards. This Risk Meeting is not a formal risk committee. SIM does not, and is not, required to maintain a risk committee. Each has a Terms of Reference clearly stating its responsibilities, membership, and escalation procedures.

Further information on SIM's approach to governance of risk is set out in the 'Annual MIFIDPRU Public Disclosure Report 2024', which does not form part of these financial statements.

Below are some specific risks that SIM is exposed to, broken down into those that relate to SIM's own funds requirement, concentration risk and liquidity risk.

Concentration risk

High exposure to certain counterparties, business lines or channels can result in an increased risk to SIM. The concentration risks identified for SIM are:

Fund concentration: Where a small number of funds make up the majority of SIM's Investment Hub platform. A significant fall in the value of these funds could give rise to a substantial fall in the fees received by SIM. We manage this risk through regular monitoring of fund performance.

SIM client money concentration: SIM places its client money (money held on behalf of retail clients) with third-party banks. It may also place some client money with Santander UK plc. SIM accepts that it does have concentrations of exposures to banking counterparties. This could give rise to an increased level of risk. However, SIM attempts to reduce this risk by placing money with a range of different banks and meeting the CASS rules at all times.

SIM cash concentration: All SIM's own cash is placed with Santander UK plc. In the event of a default by Santander UK plc, SIM would rank amongst other creditors in respect of the amount deposited. SIM assess that Santander UK plc have sufficient liquidity held aside for these exposures.

Customer concentration: A dominant customer could leave the SIM Investment Hub platform, causing a drop off in the Platform Service Fee. This risk is considered extremely slight as the largest customer holding is significantly less than 1% of the overall customer assets held.

Liquidity risk

This is the risk that SIM either doesn't have sufficient resources available to allow it to meet its obligations when they're due or can only secure them at an excessive cost. SIM is exposed to liquidity risk in the event of sharp downturns in the value of the assets under custody, where SIM's recurring revenue is insufficient to meet SIM's overheads. SIM manages this risk through regular monitoring of the liquid assets held against the thresholds. In addition, SIM assesses the liquidity position in stressed conditions over future years to ensure it maintains sufficient liquid assets. SIM is also exposed to liquidity risk in respect of payment obligations to its clients and product providers. There is liquidity risk related to the settlement timing of corresponding cash inflows and outflows. This arises primarily due to the requirement to fund client money and client asset shortfalls under the CASS rules. SIM also has an arrangement in place relating to the settlement of customer trades to mitigate the issues with delayed settlements. SIM holds all client money with several UK banks. SIM is exposed to liquidity risks in respect of these holdings. However, SIM manages these risks by diversifying the client money across these banks. SIM's own assets are predominantly liquid assets. This is cash held with a bank – in our case, Santander UK plc.

For all financial assets and liabilities, the carrying value approximates the fair value due to the short-term nature of these financial assets and liabilities.

2. RISK MANAGEMENT (continued)

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 Santander UK Group. Further information can be found in the Santander UK Group Holdings plc Annual Report which does not form part of this Report.

Financial risks

Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations. It occurs where the Company has significant financial exposure to amounts due from third parties and fellow group companies.

Credit risk - Credit risk management practices

The Company considers reasonable and supportable information that is relevant and available without undue cost or effort to assess whether there has been a significant increase in risk since initial recognition. This includes quantitative and qualitative information and also forward-looking analysis.

Revenue risk

Revenue is derived from platform fees charged on client assets held under management. The revenue accrual is estimated by applying a blended rate of 0.2865% to the AUM for the final 2 months of the year. The effect on the accrual if this rate were to increase or decrease by 5 basis points is a £563,000 increase/ decrease.

Interest rate risk

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate interest bearing assets at the end of the reporting year. The analysis is prepared assuming that amount outstanding, for which amounts receivable are based upon, was outstanding for the whole year.

A 50bp positive or adverse movement in interest rates, with all other variables held constant, would result in a decrease in operating profit and decrease in net assets of £1,014,393 (2023: £827,633). A 50bp positive movement in interest rates, with all other variables held constant, would result in an increase in operating profit and an increase in net assets of £1,014,393 (2023: £961,514).

Sensitivity has not been performed on the interest charged to the Company as this represents interest paid based on customer deposits held. Interest paid is discretionary and within the control of the Company taking into consideration interest income and interest margins sought. The Company is therefore not considered to be exposed to interest rate risk on interest paid.

Quantitative criteria
In determining whether there has been a significant increase in credit risk, the Company uses probability of default (PD) movements linked to the Santander UK plc risk grade to assess counterparty strength. The risk rating is the main method used to measure credit risk. However, unless identified at an early stage, the credit risk of financial assets is deemed to have increased significantly when more than 30 days past due.

The Company also uses qualitative criteria to identify where an exposure has increased in credit risk. The qualitative criteria used are: in forbearance and watch-list - proactive management.

Definition of default (Credit impaired)
The Company defines a financial instrument as in default (i.e. credit impaired) for purposes of calculating ECL if it is more than 90 days past due (DPD), or if it has data that raises doubt that counterparties can keep up with their payments i.e. they are unlikely to pay.

For financial instruments that are considered to have low credit risk, the credit risk is assumed to not have increased significantly since initial recognition. Financial instruments are considered to have low credit risk when the borrower is considered to have a low risk of default from a market perspective. Typically, financial instruments with an external credit rating of investment grade are considered to have low credit risk.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery. The Company endeavours to receive regular payments from all its debtors in order to reduce any significant credit risk.

Credit risk arising from the cash deposits held with the parent undertaking, Santander UK plc, is deemed to pose no significant concentration of risk. The overall ECL is deemed insignificant and has therefore not been provided for in these financial statements at the current and previous year end.

Counterparty balances with third parties comprising client monies pose no significant credit risk to the Company due to the regulated nature of client money. Furthermore, client money balances are not assets of the Company and are not recognised on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. RISK MANAGEMENT (continued)

Maturities of financial liabilities

The maturity of financial liabilities based on contractual undiscounted cash flows are as follows:

At 31 December 2024	On demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total £
Trade and other payables	-	1,834,288	3,376,302	-	-	5,210,590
Total financial liabilities	-	1,834,288	3,376,302	-	-	5,210,590

At 31 December 2023	On demand £	Up to 3 months £	3-12 months £	1-5 years £	Over 5 years £	Total £
Trade and other payables	-	1,027,663	2,745,419	-	-	3,773,082
Total financial liabilities	-	1,027,663	2,745,419	-	-	3,773,082

3. REVENUE

	2024 £	2023 £
Fee income earned from platform fees	17,723,607	17,312,859

4. NET INTEREST INCOME

	2024 £	Restated 2023* £
Bank interest from group companies	1,445,106	335,143
Bank interest from third parties	6,173,863	3,796,753
Interest payable to customers	(2,933,672)	(1,018,355)
	4,685,297	3,113,541

* See Restatements note 17.

Bank interest from group companies relates to interest earned on the Company's operational bank accounts and client money accounts with Santander UK plc (notes 12 and 13).

Bank interest from third parties relates to interest earned on client money accounts (note 13), spread across a wide range of third-party credit institutions.

Interest payable to customers is calculated by reference to rates awarded at the discretion of the Group's Pricing Committee who take into consideration interest rates earned on client monies held with third parties and Santander UK plc.

Net interest income is recognised as the Company acts as an agent in respect of the client monies held and therefore nets interest payable to customers against bank interest income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. ADMINISTRATIVE EXPENSES

	2024 £	2023 £
Employments costs:		
Wages and salaries	4,336,126	3,923,483
Social security costs	416,982	372,815
Other personnel costs	13,594	16,624
Total Employment costs	4,766,702	4,312,922
Other expenses:		
Management and IT charges from related parties	3,697,296	3,868,291
Administrative charges from related parties	22,896	22,897
External service provider fees	5,919,574	4,352,520
Other administration expenses	751,099	688,146
	15,157,567	13,244,776

Management and IT charges are payable to the parent undertaking, Santander UK plc.

Santander UK plc is the employer of all staff working for the Company and recharges those costs to the Company. The employees do not have contracts of service with the Company.

Included within 'Other personnel costs', are indirect staff costs relating to private healthcare, training and professional subscriptions.

Number of colleagues – monthly average	2024 Number	2023 Number
Contact Centre	81	79
Administrative and other	32	28
Total	113	107

External service provider fees arise on trust and other fiduciary activities that result in the holding or investing of assets on behalf of individuals, trusts, retirement benefit plans, and other institutions.

Auditors' remuneration

The remuneration of the Auditors in respect to the audit of the Company's annual financial statements was £31,920 (2023: £30,750).

Fees for audit-related assurance services with respect to the Client Assets Sourcebook (CASS) audit for the year were £337,350 (2023: £325,000 restated; previously disclosed as £263,000). The CASS audit-related assurance fee was paid by the Company's UK parent undertaking, Santander UK plc and recharged to the company in accordance with the group policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

6. TAX CHARGE

	2024 £	2023 £
Current tax		
UK Corporation tax charge on profit of the year	1,815,562	1,687,682
Adjustments in respect of prior years	1,475	48
Total current tax	1,817,037	1,687,730
Tax charge on profit for the year	1,817,037	1,687,730

UK corporation tax is calculated at the statutory rate of 25.00% (2023: 23.50%).

The introduction of the Pillar Two legislation effective for the accounting periods from 1 January 2024 does not have an impact on the effective tax rate in the period as the Company will not be subject to additional top up tax.

The tax on the Company's profit before tax differs from (2023: differs from) the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2024 £	2023 £
Profit before tax	7,251,337	7,181,624
Tax calculated at a rate of 25% (2023: 23.50%)	1,812,834	1,687,682
Non-deductible expenses	2,728	-
Adjustments in respect of prior years	1,475	48
Tax charge for the year	1,817,037	1,687,730

7. DIRECTORS' EMOLUMENTS

Directors' remuneration	2024 £	2023 £
Salaries and fees	61,000	60,098
Performance related payments	22,500	28,153
Other fixed remuneration (allowances & non-cash benefits)	5,143	827
Pension contributions	17,223	17,155
Total remuneration	105,866	106,233

Directors' and Other Key Management Personnel compensation	2024 £	2023 £
Short-term employee benefits	88,644	89,078
Post-employee benefits	17,223	17,155
Total compensation	105,867	106,233

Directors of Santander ISA Managers Limited are all employees of Santander UK plc. For one Director (2023: one), costs for services provided to the Company were recharged by Santander UK plc. The Director's remuneration attributable to the Company was £105,866 (2023: £106,233). This included £61,000 relating to salary (2023: £60,098), £5,143 relating to other fixed remuneration (2023: £827), and £22,500 which was performance related (2023: £28,153). Employer pension contributions totalling £17,223 (2023: £17,155) were provided to a pension scheme in respect of one Director. The aggregate emoluments above exclude emoluments received by other Directors, because their services to the Company are considered to be an incidental part of their duties. No apportionment of their remuneration has been made (2023: nil).

Remuneration of highest paid Director

The emoluments excluding pension contributions to the highest paid Director were £88,644 (2023: £89,078), £22,500 (2023: £28,153) of which was performance related. Employer pension contributions totalling £17,223 (2023: £17,155) were provided to a pension scheme in respect of the highest paid Director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

8. TRADE AND OTHER RECEIVABLES

	2024	2023
	£	£
Trade receivables	107,508	135,844
Other receivables	2,986,961	2,939,162
	3,094,469	3,075,006

Other receivables represent accrued platform fees.

The fair value of the trade and other receivables balances approximates the carrying value of the assets, given their short -term nature.

9. CASH AND CASH EQUIVALENTS

	2024	2023
	£	£
Cash at bank	44,538,284	50,868,902

Cash and cash equivalents comprise £44,533,284 (2023: £50,565,081) held as liquid resources with Santander UK plc and £5,000 (2023: £303,821) held with external banks.

10. TRADE AND OTHER PAYABLES

	2024	2023
	£	£
Amounts owed to fellow related parties	4,317,993	2,763,803
Other payables	892,597	1,009,279
	5,210,590	3,773,082

Further analysis of amounts due to fellow related parties are disclosed under notes 2 and 12.
The fair value approximates the carrying value of the liabilities which are short-term in nature.

11. SHARE CAPITAL

	2024	2024	2023	2023
	No	£	No	£
Issued and fully paid:				
Ordinary shares of £1	5,000,000	5,000,000	5,000,000	5,000,000

All issued shares have been fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The ordinary shareholders are entitled to any residual assets in the winding up of the Company.

During the year, the Company paid an interim dividend of £15,000,000 (£3 per ordinary share) in respect of the current year (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

12. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties:

	Income		Expenditure	
	2024	2023	**2024**	2023
Related Party	**£**	£	**£**	£
Santander UK plc – management and IT fees	**-**	-	**3,697,296**	3,868,291
Santander UK plc – bank interest	**1,445,106**	335,143	**-**	-
Gesban UK Limited – administrative fees	**-**	-	**22,896**	22,897
	1,445,106	335,143	**3,720,192**	3,891,188

	Amounts owed by related parties		Amounts owed to related parties	
	2024	2023	**2024**	2023
Related Party	**£**	£	**£**	£
Santander UK plc – cash and cash equivalents	**44,533,284**	50,565,081	**-**	-
Santander UK plc – accrued bank interest	**107,508**	135,844	**-**	-
Santander UK plc – other payables	**-**	-	**4,317,993**	2,763,803
	44,640,792	50,700,925	**4,317,993**	2,763,803

Amounts due to Santander UK plc that are classed as other payables incur interest at Bank of England base rate for balances not settled on a monthly basis. The Company incurred no interest for the year as the balances were settled monthly (2023: no interest).

Amounts owed by related parties exclude client money.

Expenditure includes management and IT costs payable to the parent undertaking, Santander UK plc.

Banking Services

The bank balances held with the parent undertaking, Santander UK plc, totalled £44,533,284 (2023: £50,565,081).

Key Management Compensation

Further information regarding Directors' emoluments is included under note 7.

In line with the IAS24 declaration requirement, 3 directors, other key management personnel and their connected persons (2023: 3) held customer accounts with the Company on normal market terms and conditions, or on the same terms and conditions as applicable to other employees in Santander UK group. The total cash and assets under management as at 31 December 2024 was £197,466 (2023: £189,991).

13. CLIENT MONEY

At 31 December 2024, the Company held £8,730,268 (2023: £14,710,631) on behalf of clients within accounts operated by Santander UK plc.

The Company held £155,985,292 (2023: £128,901,609) on behalf of clients within accounts operated through third party banks.

The Company is required to hold these amounts in accordance with the Financial Conduct Authority ("FCA") Client Asset Rules. The Company had no beneficial interest in these deposits and accordingly, they are not included in the balance sheet.

The Company recognises the bank interest earned on client money accounts and this is reflected under 'Net Interest Income'. See note 4 for details.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. 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 RFB Group. Disclosures relating to the RFB Group's capital management can be found in the Santander UK plc Annual Report, which does not form part of these financial statements.

Capital held by the Company comprises share capital and retained earnings which can be found in the Balance Sheet. Further information on the coordination of capital management with the Santander UK plc group, including the role of the capital support deed, is set out in Note 15.

The Company's funding requirements are managed through its Internal Capital Adequacy and Risk Assessment (ICARA) in accordance with the rules of the Financial Conduct Authority. The level of regulatory capital that must be held to absorb losses is the 'Own Funds Threshold' requirements. The Company's Own Funds were made up of share capital and retained earnings. The Own Funds were in excess of the 'Own Funds Threshold' as at 31 December 2024 and throughout the financial year then ended.

Further details of how the entity manages its capital, methods adopted in arriving at the Own Funds requirement, changes in capital held and required as well as implications of non-compliance are available in the Company's Annual MIFIDPRU Public Disclosure Report 2024, which does not form part of these financial statements.

15. CONTINGENT LIABILITIES AND COMMITMENTS

Capital Support Deed

At 31 December 2024, Santander UK plc, Cater Allen Limited, Santander ISA Managers Limited and certain other non-regulated subsidiaries of Santander UK plc, including the Company, were party to a capital support deed entered into on 03 December 2024 and effective from 3 December 2024 (the RFB Sub-Group Capital Support Deed). These entities were permitted by the PRA to form a core UK group as defined in the PRA Rulebook, a permission which expires on 03 December 2027. Exposures of each of the regulated entities to other members of the core UK group are exempt from large exposure limits that would otherwise apply and these exposures are risk-weighted at 0%. Where applicable this permission also provides for intra-group exposures to be excluded from the leverage exposure measure. The purpose of the RFB Sub Group Capital Support Deed is to facilitate the prompt transfer of available capital resources from, or repayment of liabilities by, the non-regulated entities to any of the regulated entities in the event that one of the regulated entities breached or was at risk of breaching its capital resources or risk concentration requirements.

16. PARENT UNDERTAKING AND CONTROLLING PARTY

Santander ISA Managers Limited is domiciled in the United Kingdom and registered in Scotland.

The Company's immediate parent company is Santander UK plc, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party is Banco Santander SA, a company incorporated in Spain. Banco Santander SA is the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Santander UK plc is the intermediate parent undertaking of the smallest group of undertakings for which the group financial statements are drawn up and of which the Company is a member.

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

17. RESTATEMENTS

Income statement

The comparatives for 2023 have been restated to disclose interest income of £4,131,896 and finance costs of £1,018,355 as one consolidated item, "Net interest income" as part of operating profit to better represent this as net interest generated on customers funds held. Previously, they were disclosed as separate items after operating profit. The change is summarised below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

17. RESTATEMENTS (continued)

	2023 As previously stated £	Adjustments £	2023 Restated £
Revenue	17,312,859	-	17,312,859
Net interest income	-	3,113,541	3,113,541
Administrative expenses	(13,244,776)	-	(13,244,776)
Operating profit	4,068,083	3,113,541	7,181,624
Interest income	4,131,896	(4,131,896)	-
Finance costs	(1,018,355)	1,018,355	-
Profit before tax	7,181,624	-	7,181,624
Tax charge	(1,687,730)	-	(1,687,730)
Profit for the year	5,493,894	-	5,493,894

Cash Flow Statement

The comparatives for 2023 have been restated to disclose interest receivable of £4,131,896 and finance costs of £1,018,355 as component parts of net cash used in operating activities to better reflect these as operational components of the business. Previously, interest received was presented as investing activity and was disclosed as £4,131,896 being the amount included in the income statement. This has been adjusted to reflect the net cash movement by adjusting for the amount held within trade and other receivables at the end of each reporting period. Consequently, net cash generated by operating activities was previously presented as £1,762,725.

The effect of these adjustments is summarised below:

	2023 As previously stated £	Adjustments £	2023 Restated £
OPERATING ACTIVITIES			
Profit before tax	7,181,624	-	7,181,624
Adjustments for:			
Net interest income	-	(3,113,541)	(3,113,541)
Interest income	(4,131,896)	4,131,896	-
Finance costs	1,018,355	(1,018,355)	-
Operating cash flows before movement in working capital	4,068,083	-	4,068,083
Changes in operating assets and liabilities:			
Decrease in trade and other receivables	75,230	74,878	150,108
Decrease in trade and other payables	(1,362,233)	-	(1,362,233)
Cash flow generated from/ (used in) operating activities	2,781,080	74,878	2,855,958
Interest paid	(1,018,355)	1,018,355	-
Net interest received	-	3,038,663	3,038,663
Net cash flow generated from/ (used in) operating activities	1,762,725	4,131,896	5,894,621
INVESTING ACTIVITIES			-
Interest received	4,131,896	(4,131,896)	-
Net cash flow generated from investing activities	4,131,896	(4,131,896)	-
Net increase/(decrease) in cash and cash equivalents	5,894,621	-	5,894,621
Cash and cash equivalents at beginning of year	44,974,281	-	44,974,281
CASH AND CASH EQUIVALENTS AT END OF YEAR	50,868,902	-	50,868,902