

**SANTANDER UK
FOUNDATION LIMITED**

A company limited by guarantee

**Company No. 02509711
Registered Charity No. 803655**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

FRIDAY



ABD5JFZ5

A24

23/09/2022

#229

COMPANIES HOUSE

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

CONTENTS	Page
Reference and Administrative details	2
Report of the Trustees	3
Independent auditors' report	10
Statement of financial activities (SOFA) - incorporating summary income and expenditure account	13
Balance sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

CP Fallis
S Willis
JF Collins
D Jones
CJ Anderson
JM Moran

Foundation Secretariat

Santander Secretariat Services Limited

Chartered Accountants and Statutory Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

Cater Allen Limited
2 Triton Square
Regent's Place
London
NW1 3AN

Registered office

2 Triton Square
Regent's Place
London
NW1 3AN

Principal address

Santander House
201 Grafton Gate East
Milton Keynes
MK9 1AN

REPORT OF THE TRUSTEES

(incorporating the Directors' report)

The Trustees present their report together with the audited financial statements for the year ended 31 December 2021. The report and financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements, and comply with the charity's governing documents, the Companies Act 2006, the Charities Act 2011 and the Financial Reporting Standard 102 Statement of Recommended Practice (FRS 102 SORP second edition – October 2019).

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemptions including not preparing a Strategic Report.

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

CP Fallis
S Willis
JF Collins
D Jones
CJ Anderson
JM Moran

Structure, Governance and Management

Santander UK Foundation Limited (the Foundation) is a registered charity (no. 803655) and a company limited by guarantee (no. 02509711), governed by Memorandum and Articles of Association. The Foundation was incorporated on 8 June 1990.

Trustees are elected by the Members of the Foundation at the General Meeting or by written resolution signed by all Members eligible to vote at the General Meeting. The Trustees are also Directors for the purposes of Company Law.

The Trustees are selected to bring a diverse range of skills, experience and knowledge to the role. They meet regularly, usually on a quarterly basis. The Trustees do not have a maximum length of office. A business plan is prepared and agreed by the Trustees for each financial year. A quarterly report examines performance against the agreed budgets.

All Trustees are provided with an induction pack containing a copy of the Foundation's objectives, priorities and most recent Annual Report and financial statements. The Foundation Secretary will then discuss with the Trustee the background and current business plan of the Foundation.

The Trustees met on 5 occasions during the year ended 31 December 2021 (2020: 5). All grants are ratified at a meeting of the Trustees. A quorum of two Trustees is the minimum requirement. Grants of over £10,000 are approved by one Trustee and grants of over £30,000 are approved by two Trustees.

The Foundation's related parties consist of Santander UK plc, Cater Allen Limited, Santander UK Group Holdings plc and Banco Santander SA, by the virtue of Banco SA's ownership and control of Santander UK Group Holdings plc. The majority of donations into the Foundation are from Santander UK plc. The ring-fencing regulation established in 2019 required the Santander UK Foundation to establish an arms-length relationship with Santander UK plc. Therefore, the Foundation created a Service Level Agreement to pay Santander UK plc for the services provided by the company to support the Foundation activities.

The Company's risk management focuses on the major areas of credit, liquidity, marketing and operational risk. Risk management is carried out by the central risk management function of the Santander UK Group. Authority flows from the Santander UK Group Holdings plc Board to the Chief Executive Officer and from them to their direct reports. Delegation of authority is to individuals. Formal standing committees are maintained for effective management of oversight. Their authority is derived from the person they are intended to assist.

The major risks the charity is exposed to, as identified by the Trustees, are grant fraud, reputational risk and a variety of challenges arising from the complexity of running a foundation with a small number of staff hours. These risks are actively managed by the Trustees, and work is undertaken to identify risks and mitigate them where possible. Steps will be taken next year to grow the staff resources available which will help with the management of all of the major risks the Foundation faces.

It is anticipated that there may be instances where applications received may either in part or whole, contain untrue disclosures with the purpose to allow the applicant to obtain funds from the Foundation through deception. This is referred to as grant fraud risk and this is managed by only awarding grants to registered charities, community interest companies and credit unions and this provides a first stage of due diligence. Registered charities that submit regular financial statements and have no flags on the relevant registers are eligible for funding. Each grant is made via a formal grant offer which outlines the terms of the award and each charity is asked to complete a Trustee declaration that confirms the grant was used for the wholly charitable purposes that it was awarded for. We ask each charity to submit a report one year after a grant is made to confirm the details of the spending (an impact report). The relatively small value of the grants made, up to £5,000, means that the Foundation is confident that the risk processes in place are appropriate and adequate to the risk level. Where the Foundation is made aware of a fraud or potential fraud the Foundation will investigate the incident, ask the charity for an explanation and notify The Charity Commission for England and Wales. The Foundation takes grant fraud very seriously as this diverts scarce resources and support away from legitimate charitable causes. The Foundation aims to ensure that all the grants that we make are used for their intended charitable purpose. In those cases where we believe grant fraud has taken place we will request repayment of the grant and will not accept future applications from the charity or individual concerned. These will then be logged as an incident and registered with our Santander UK Risk Manager and reported to the Trustees.

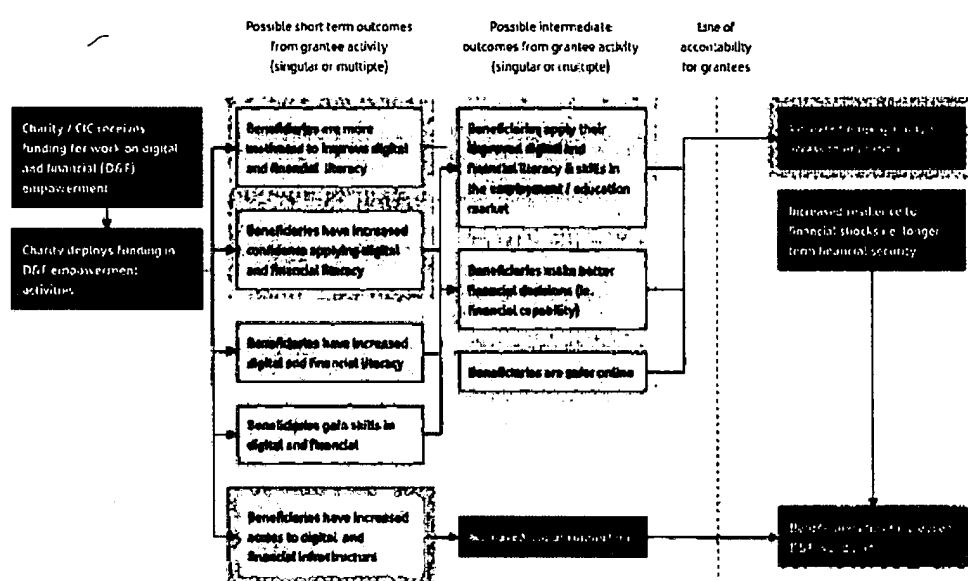
Reputational risk for the Foundation consists of loss resulting from damages to the firm's reputation through non-compliance with regulation, thus leading to increased regulatory costs. The Foundation manages such risk through compliance with existing regulation and by keeping up to date with developments in the regulatory environment.

REPORT OF THE TRUSTEES *(continued)*

Objectives and activities for public benefit

The charitable objectives of the Foundation are to provide grants and help disadvantaged people by making donations to appropriate charitable organisations working within the published charitable objectives. Throughout the years, we've supported a number of non-profit organisations to deliver charitable initiatives across the UK. Throughout the strategic review which took place in 2019, the Foundation trustees concluded that in this modern world, the lack of digital and financial skills could have a substantial negative impact on a person's life and financial wellbeing. Those already at a disadvantage are most likely to be missing out, further widening the social inequality gap. Considering these findings, the Foundation trustees decided to define as a new charitable strategy development of a new grants programme, the Santander Foundation Digital & Financial Empowerment Fund, focused on supporting projects that will help people to become digitally and financially empowered. The new programme was launched in June 2021 with the ambition to support UK charities to give people the digital confidence, knowledge, and skills to enable them to make better, more informed decisions about money and have access to financial services. To help the Foundation describe what it wants to achieve, the entity developed - with support from experts at charity advice service New Philanthropy Capital (NPC) - a Theory of Change that explains:

- the needs we are trying to address.
- the changes we want to make (our outcomes).
- what we plan to do (our activities).



Key: Financial capability strategy UK - MAS Building Blocks

Mindset Ability Connection Financial Capability Behaviours Financial and Digital Wellbeing



The first edition of the Santander Foundation Digital & Financial Empowerment Fund was launched in June 2021 with the following intent:

- Over the next three years (2021 – 2024) invest £1.8 million into our Financial & Digital Empowerment Fund.
- The Foundation aimed to award 12 grants of up to a total of £150,000 per organisation. The selected charities could ask for differing amounts in each of the three years. They would be able to request a minimum of £25,000 in any one year, with the maximum of £150,000 over three years.

The new programme was open for UK registered charities and C.I.C.s and the organisations needed to meet the following requirements:

- be based in the UK and working within one of the nations or regions.
- be a UK registered charity or Community Interest Company.
- have at least three unconnected Trustees, Directors or Management Committee members. By unconnected we mean not related by blood, marriage, in a long-term relationship or living together at the same address.
- have an annual income above £75,000. We anticipate most of the organisations we'll support will be small and medium-sized organisations with an income of less than £2 million.
- have a bank account in the organisation's name with at least two unconnected signatories.
- have been operating for at least 18 months and have at least one set of annual financial statements.

REPORT OF THE TRUSTEES *(continued)*

The Santander Foundation Digital & Financial Empowerment Fund was open for applications from 28 June 2021 to 13 August 2021 a total of 455 applications were received. The result exceeded the Foundation expectations, and it helped to consolidate the importance of digital and financial inclusion as an area within which the Foundation could have a meaningful impact

Once the application process was closed, the Foundation began the process of selecting funded partners

The selection process was supported by the third-party CC Works that helped the Foundation to assess all the applications. The process was divided in the following stages:

- 1) Eligibility check
- 2) Assessing against key criteria - filtering of the 455 applications
- 3) Shortlisting the applications – selecting 70 applications for next stage
- 4) Full assessment – phone interviews with the applicants and shortlisted 36 applicants for trustees' review
- 5) Trustees selection

Considering the level of applications and the Santander Foundation 2021 forecasted budget, the Trustees decided to increase the size of the 2021 edition and award 21 grants a total of £3,000,004 over the next three years to 21 UK charitable organisations. All selected funded partners were offered the donation and they agreed on the Santander Foundation Grants programme,

In addition to the Grants programme, the Santander UK Foundation continues to deliver the Santander UK Colleagues Matched Donations scheme. The programme is focused on supporting employees that have undertaken fundraising activities for UK registered charities. Colleagues can submit an application to the Scheme for the UK registered charity to receive an additional sum by way of a matched donation. In 2021, the Foundation awarded 362 matched donation requests disbursing a total of £450,218 to 224 UK registered charities.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives, in planning future activities and in setting the grant making policy for the year. The Trustees' grant making activities have provided benefit to the beneficiaries of the charity and the public.

Grant making policy

The charitable priorities for 2021 were to help disadvantaged people in the UK by supporting projects which improve skills, knowledge and/or provide innovative solutions to social challenges and to support staff fundraising through our Matched Donation scheme.

This was achieved mainly through selection of appropriate recipients in response to the published programme and through the staff matched donation scheme of Santander UK plc Group.

Investments

The Trustees have the power to purchase investments and securities which are considered fit for the purposes of the Foundation, with the exception of derivatives. The Trustees comply with the Charity Commission's guidelines on investments.

The Foundation's investment strategy is a split of 50% equities and 50% UK fixed income to achieve a broadly balanced portfolio seeking moderate growth. Further information concerning the performance and nature of the investment can be found within this section under unrestricted funds and note 1.

REPORT OF THE TRUSTEES *(continued)*

Achievements and performance

The Foundation made grants and matched donations of £2,116,586 (2020: £3,311,937) in total during the year. The number of grants and matched donations awarded were 362 (2020: 581) and these were made for the following charitable purposes:

	2021		2020	
	Total value (£)	Number of grants and donations	Total value (£)	Number of grants and donations
Santander Foundation Digital & Financial Empowerment Fund	1,666,368	21	-	-
COVID-19 grants	-	-	3,000,000	4
Health	83,200	129	164,935	241
Social Inclusion	366,254	227	144,456	331
Other	764	6	2,546	5
Total	2,116,586	383	3,311,937	581

The foundation awarded grants of £1,666,368 to 21 entities during the financial year. A further £1,333,636 was committed and will be paid between 2022 and 2023 subject to condition of the grant agreement being met. This totals £3,000,004 over a three year period.

The principal sources of funding were donations of £3,224,000 (2020: £4,000,000), £6,593 (2020: £nil) of additional income from Santander UK plc and investment income of £346,637 (2020: £351,610). Santander UK plc also provided services valued at £100,000 (2020: £nil) for which no charge was made. The value of these services is included within donations.

Impact assessment and evaluation

Other than staff matched donations all payments are issued with a grant confirmation and feedback (impact report) form asking the charity to outline what qualitative and quantitative impacts the grant has had at the end of the grant period, usually one year. This is returned by the beneficiary along with an official receipt. A table of whole programme indicators is compiled to assess the effectiveness of the grants programme and what intended and unintended impacts have resulted from our support. This is used in assisting the Trustees when considering future grant requests made by the same or similar organisations.

Financial Review

The objectives of the Foundation are to support disadvantaged people in the United Kingdom. This is achieved through the two core programmes: matched donations and grants. The matched donation scheme supports the fundraising activities of Santander UK employees and in the year £450,218 (2020: £311,937) of funding was made to charities through this scheme. The Santander Foundation Digital & Financial Empowerment Fund was launched in June 2021 and is focused on supporting projects that will help people to become digitally and financially empowered. The aim is to support UK charities to give people the digital confidence, knowledge, and skills to enable them to make better, more informed decisions about money and have access to financial services. In 2021, the Foundation awarded grants to 21 UK charitable organisations and made the commitment to award a total of £1,333,516 to be paid between 2022 and 2023 subject to condition of the grant agreement being met.

The financial performance for the year is set out on page 13 of the financial statements. The net income for the year after realised and unrealised gains and losses amounted to £2,254,396 (2020: net income £1,360,460).

As an analysis of the Foundation's total reserves, 31.8% constitutes endowment investments. The endowment has seen an increase during 2021 that has been driven by the increase in market values of the underlying investments.

1.6% of total reserves equating to £339,559 (2020: £312,519) relate to restricted funds that can only be used for housing related causes and it is noted that no grants were awarded during the year to restricted causes. The only movement in restricted reserves during the year has been the investment income earned on the Housing Association Fund Portfolio.

Unrestricted funds represent 19.4% of total reserves, equating to £4,229,465 (2020: £2,888,563). The unrestricted reserves constitute an amount greater than the monthly average expenditure on grants during the year. The Foundation is therefore satisfied its reserves are maintained in accordance with the reserves policy as discussed below.

The remaining 47.2% of total reserves equating to £10,283,598 (2020: £9,397,144) relates to revaluation gains arising from the investment portfolio.

REPORT OF THE TRUSTEES *(continued)*

Reserves

The income of the Foundation is exclusively used for grant purposes. Grants are only agreed to the extent of available income. The Foundation has no employees. Due to ring-fencing regulation in 2019, the Foundation was required to establish an arms-length relationship with Santander UK plc to pay for the services (staff and infrastructure) provided by Santander UK plc. The Foundation is also responsible for entering into service contracts to cover the costs of the administration of the charitable activities.

The Trustees continue to hold significant investments to generate an annual income to support the charity. It is the Foundation's policy to ensure funds are available to cover one month of grant awards at any time in reserve. At 31 December 2021, the total funds of the Foundation were £21,793,584 (2020: £19,539,188).

Endowment funds

These are permanent endowment funds which represent funds invested by the Charity from which it derives investment income. There are two endowment funds one is a restricted fund (the AHA portfolio) and the other is an unrestricted endowment fund. The investment income for the funds is included within restricted and unrestricted on the SOFA and Balance Sheet based on the funds from which the income is derived.

Restricted funds

The income generated from this fund is from the investment income from the AHA portfolio. The restricted fund can only be used for grants to charities working with housing related causes.

Unrestricted funds

These represent funds which are expendable at the discretion of the trustees in the furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

Investments

The Foundation's assets are invested in a combination of passive (index-tracking) collective investment funds. For the 12 months ended 31 December 2021 the return of the Aggregated Fund (as a measure of dividend income versus the value of the UK quoted investments) was 2.0% (2020: 2.3%). The fund continues to provide a stable return for the Foundation and is consistent with the Foundation's expectations to seek moderate growth from its investment portfolio.

Plans for the Future

The new grants programme, the Santander Foundation Digital & Financial Empowerment Fund was open for applications from 28 June 2021 to 13 August 2021, and a total of 455 applications were submitted. The result exceeded the Foundation expectations, and it helped to consolidate the importance of digital and financial inclusion as a relevant area for the charity sector. Considering the evolution of the Foundation strategy, the ambition is to establish a strong and valuable relationship with the 21 funded partners selected in 2021. To support this ambition, the Foundation will work in partnership with NPC to develop an efficient monitoring and evaluation framework and create opportunities for funded partners to share learning and best practices.

Related parties

The related parties of Santander UK Foundation Limited are considered to be Santander UK Group Holdings plc, Santander UK plc, Cater Allen Limited and Banco Santander SA and their subsidiaries, together with the Trustees and the Trust Secretaries. Refer to note 15 for details.

In addition, during the year, Santander UK Plc CEO made a one off cash donation of £324,000.

REPORT OF THE TRUSTEES *(continued)*

Statement of trustees' responsibilities

The trustees (who are also directors of Santander UK Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Going Concern

The Foundation's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Foundation, its liquidity position and borrowing facilities are set out in the financial statements.

The Foundation has adequate funds in place for commitments made. The Foundation has no employees and no grants are committed unless funds are in place. Should no further funding be made available to the Foundation, there are sufficient existing funds available to meet its commitments. As a consequence, the Trustees believe that the Foundation is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Trustees have a reasonable expectation that the Foundation 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.

Impact of Covid-19

In 2021, there were ongoing challenges in terms of navigating the changing circumstances presented by the Covid-19 pandemic, including its impact on the economy and upon home and office working arrangements. The Company continues to monitor the impact of Covid-19 on its operations and customers and intends to take a coordinated approach with the other members of the Santander UK plc group where applicable. There has been no significant change to the carrying value of its assets and liabilities at the reporting date.

Broader geopolitical and social risks, including invasion by Russia of Ukraine

During the course of the past two years, since the onset of the Covid-19 pandemic, a number of broader risks have evolved and may present future headwinds. These include, geopolitical tensions between regions across the world, global supply chain pressures (which have already fuelled inflationary pressures), stretched household finances, and emerging social unrest. These factors are also likely to play into increased localised political risk, including in the UK. The Company is closely following these developments and the potential for any material impacts which may need to be taken into consideration in its future plans and intends to take a coordinated approach with the other members of the Santander UK plc group.

REPORT OF THE TRUSTEES *(continued)*

Qualifying Third Party Indemnities

Enhanced indemnities are provided to the Directors of the Foundation by Santander UK plc against liabilities and associated costs which they could incur in the course of their duties to the Foundation. 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 plc.

The financial statements were approved by the Trustees on 25 July 2022, authorised for issue and signed on its behalf by:



Judith Moran
Trustee
25 July 2022

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

Independent auditors' report to the members of Santander UK Foundation Limited

Report on the audit of the financial statements

Opinion

In our opinion, Santander UK Foundation Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 2021; the statement of financial activities (SOFA) - incorporating summary income and expenditure account and the cash flow statement for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the charitable 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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' 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 charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees 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 trustees 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.

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.

Independent auditors' report to the members of Santander UK Foundation Limited (continued)

Report of the Trustees

In our opinion, based on the work undertaken in the course of the audit the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Report of the Trustees has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the Trustees. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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 charitable company, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, 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 the Companies Act 2006. 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 journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to expenditure accounts;
- obtaining confirmations of cash balances and material investment valuations as at 31 December 2021;
- testing the recognition of grant expenditure in line with terms of the grant awards;
- enquiring of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reading minutes of meetings of the board of trustees; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

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 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.

Independent auditors' report to the members of Santander UK Foundation Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the charity'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 or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 July 2022

STATEMENT OF FINANCIAL ACTIVITIES (SOFA) – INCORPORATING SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations	2	3,330,593	-	-	3,330,593	4,035,000
Investments	3	319,597	27,040	-	346,637	351,610
Total		3,650,190	27,040	-	3,677,230	4,386,610
Expenditure on:						
Charitable activities	6	(2,309,288)	-	-	(2,309,288)	(3,452,418)
Total		(2,309,288)	-	-	(2,309,288)	(3,452,418)
Net gains on investments	8	-	-	886,454	886,454	426,268
Net income and net movement in funds for the year		1,340,902	27,040	886,454	2,254,396	1,360,460
Total funds brought forward	12, 16	2,888,563	312,519	16,338,106	19,539,188	18,178,728
Total funds carried forward	12, 16	4,229,465	339,559	17,224,560	21,793,584	19,539,188

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

A summary of the prior year comparative for each fund is disclosed within note 12.

This statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities

BALANCE SHEET


As at 31 December 2021

	Note	Total funds 2021 £	Total funds 2020 £
Fixed assets:			
Investments	8	17,416,514	16,533,863
Total fixed assets		17,416,514	16,533,863
Current assets:			
Cash at bank and in hand	9	4,490,391	2,911,828
Other debtors	9	60,139	110,357
Total current assets		4,550,530	3,022,185
Liabilities:			
Creditors: Amounts falling due within one year	10	(173,460)	(16,860)
Net current assets		4,377,070	3,005,325
Total net assets		21,793,584	19,539,188
The funds of the charity:			
Endowment funds			
- General Endowment Fund	16	6,940,962	6,940,962
- Revaluation Reserve	16	10,283,598	9,397,144
Restricted income funds	16	339,559	312,519
Unrestricted Funds	16	4,229,465	2,888,563
Total Charity funds		21,793,584	19,539,188

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

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

The financial statements were approved by the Trustees on 25 July 2022, authorised for issue and signed on its behalf by:



Judith Moran
Trustee
25 July 2022

CASH FLOW STATEMENT

For the year ended 31 December 2021

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash flows from operating activities		
Net income and net movement in funds for the year	2,254,396	1,360,460
Adjustments for:		
Realised gains on sales during the year	(540,699)	(367,451)
Unrealised gains on investment revaluation	(345,754)	(144,574)
Operating cash flows before movements in working capital	1,367,943	848,435
Decrease in other debtors	50,218	8,350
Increase/ (decrease) in payables	156,600	(124,446)
Net cash generated by operating activities	1,574,761	732,339
Cash flows from investing activities		
Purchase of investments	(1,219,297)	(1,088,572)
Sale of investments	1,214,920	1,105,175
Transfers of cash held as part of investment funds	8,179	(15,693)
Net cash generated by investing activities	3,802	910
Net increase in cash and cash equivalents	1,578,563	733,249
Cash and cash equivalents at beginning of year	2,911,828	2,178,579
Cash and cash equivalents at end of year	4,490,391	2,911,828

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The Foundation is a public benefit entity.

The principal accounting policies applied to Santander UK Foundation Limited (the Foundation) are summarised below.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments.

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities SORP (FRS 102) second edition – October 2019 applicable to charities preparing their financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), effective 1 January 2015; and the Companies Act 2006.

The Foundation's activities, together with the factors likely to affect its future prospects are discussed in the Report of the Trustees on pages 3 to 9. The administrative details page on page 2 forms part of the Trustees' report.

The financial statements have been prepared on the going concern basis as disclosed in the Trustees' statement of going concern set out in the Report of the Trustees.

The Foundation has adequate funds in place for commitments made. The Foundation has no employees and no grants are committed unless funds are in place. As a consequence, the Trustees believe that the Foundation is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Trustees have a reasonable expectation that the Foundation 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.

Income

All income is included in the SOFA when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Donations and gifts are recognised as soon as their amount and receipt are probable, which is usually only when they are received.

Investment income is recognised as it is receivable.

Gifts in kind

Where services are gifted to the Foundation, the value of the gifted services is included in these financial statements on a grossed up basis and is included within income and expenditure.

Expenditure

Direct charitable expenditure includes grants payable to charities together with support costs related to making these grants. Grants are accounted for when the Trustees have accepted a legal obligation to make the grant. Funds designated for future grant awards where no formal commitment is made are carried forward and set aside for the purpose of making the specific awards until they are committed. At this point, the grants are recognised in the financial statements.

Creditors represent costs which have been incurred but not paid for at the year end.

Support and governance costs

Support costs include costs associated with the operations of the Foundation. Support costs are generally allocated against the unrestricted funds. However costs related to or are apportionable towards the restricted funds are allocated against those funds. Governance costs comprise the cost of the strategic direction of the charity including trustees meetings and professional fees. These are included in the financial statements on expenditure on charitable expenditure based on activity.

Cash at bank and in hand

The Foundation seeks to maintain sufficient cash resources equivalent to at least one month's worth of grants paid to beneficiaries in order for it to meet its obligations. At 31 December 2021, cash and cash equivalents of £4,490,391 were held (2020: £2,911,828), comprising cash held on demand with related parties and external banks.

Investments

Fixed assets investments are stated at bid market value at the balance sheet date. All investments are investment assets held in the United Kingdom. Investments include deposit balances, equities and fixed income funds, which are held by fund managers. Realised and unrealised investment gains and losses relating to the Main Fund are included in unrestricted funds and in the restricted funds where they relate to the Housing Association Fund.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*1. ACCOUNTING POLICIES *(continued)*

Fund accounting

The Charity maintains various types of funds as follows:

- **Endowment funds**
These are permanent endowment funds which represent funds invested by the Charity from which it derives investment income. The investment income is included within restricted funds for the AHA portfolio and unrestricted funds for the main investment portfolio.
- **Restricted funds**
The income generated from this fund is from the investment income from the AHA portfolio. The restricted fund can only be used for grants to charities working with housing related causes
- **Unrestricted funds**
These represent funds which are expendable at the discretion of the trustees in the furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

Other debtors

Other debtors represent funds which have been advanced to third party administrators of the Charity to cover the cost of grants awarded but not yet paid due to short term timing differences.

Financial instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Initial recognition and measurement

Financial assets and liabilities are initially recognised when the Foundation becomes a party to the contractual terms of the instrument. The Foundation 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. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost. The Foundation's financial liabilities comprise grants awarded that are awaiting payment and support costs which are classified as amortised cost.

Financial liabilities are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Critical accounting judgements and key sources of estimation uncertainty

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

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

2. DONATIONS

	2021	2020
	£	£
Donations received from Santander UK plc	3,224,000	4,000,000
Gifts in kind from Santander UK plc	100,000	-
Donations received from Santander London Branch	-	35,000
Donations received from other than Santander UK plc	6,593	-
	3,330,593	4,035,000

During the year, Santander UK plc made a cash donation of £3,224,000 (2020: £4,000,000) including an ad-hoc Santander UK Plc CEO donation. Santander UK plc also provided services valued at £100,000 (2020: £nil) for which no charge was made. The value of these services is included within the above donations.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. INVESTMENT INCOME

	2021 £	2020 £
Bank interest income	1,542	7,269
Dividend income	345,095	344,341
Interest and dividends	346,637	351,610

4. AUDIT FEES

Fees payable to the Foundation's Auditors for the audit of the Foundation's annual financial statements for the current year are £16,500 (2020: £6,960). For the current and prior year, irrecoverable VAT at 20% is included within the fee. The 2021 audit fee net of VAT is £13,750 (2020: £5,800).

Fees payable to the auditors for non-audit services were nil (2020: nil).

5. TRUSTEES' AND STAFF EMOLUMENTS

The Trustees received neither remuneration nor expenses for services rendered (2020: £nil).

The Foundation had no directly employed staff during the year (2020: none) and as a result had no staff or related costs (2020: £nil). During the year one of the Foundation's secretaries who is employed and remunerated by Santander UK plc, provided the administrative support for the Foundation. The costs for their services provided to the Charity form part of the re-charge from Santander UK plc included within Other support costs.

The key management personnel for the foundation are the Trustees none of whom receive remuneration for their work performed.

6. CHARITABLE ACTIVITIES

	Donations and grants paid to institutions £	Support costs £	Total 2021 £	Donations and grants paid to institutions £	Support costs £	Total 2020 £
Charitable activities:						
Grants and matched donations	2,116,586	-	2,116,586	3,311,937	-	3,311,937
Expenditure on charitable activities:						
Grant administration and grant processing costs	-	57,494	57,494	-	30,154	30,154
Other support costs	-	107,488	107,488	-	104,147	104,147
Governance costs	-	27,720	27,720	-	6,180	6,180
Total	2,116,586	192,702	2,309,288	3,311,937	140,481	3,452,418

Grants and matched donations allocation by charitable purpose:

	Unrestricted 2021 £	Number of grants 2021 No.	Unrestricted 2020 £	Number of grants 2020 No.
Covid-19 Grants	-	-	3,000,000	4
Santander Foundation Digital & Financial Empowerment Fund	1,666,368	21	-	-
Health	83,200	129	164,935	241
Social inclusion	366,254	277	144,456	331
Other	764	6	2,546	5
Total	2,116,586	433	3,311,937	581

Santander UK plc allocated £100,000 to support the Foundation with the cost of services. The amount was used as gift in kind to support the FTE and marketing costs (2020: £92,155). This is included in other support costs.

The support costs and governance costs are allocated based on the activities performed and has been allocated to charitable expenditure. No costs are incurred for generating funds. The material grants awarded above £10,000 are included in note 14.

7. TAXATION

As a charity, the Company is exempt from taxation on income and gains received within categories covered by Chapter 3 of Part 11 to the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable objects.

No tax charge has arisen in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENTS

2021	Main fund Portfolio £	Housing Association fund Portfolio £	Total £
Market value at 1 January 2021	14,896,762	1,637,101	16,533,863
Purchases during the year	1,192,718	26,579	1,219,297
Sales during the year	(1,188,341)	(26,579)	(1,214,920)
Realised gains on sales during the year	535,415	5,284	540,699
Unrealised gains	436,227	(90,472)	345,755
Movement in cash	(7,680)	(500)	(8,180)
Market value at 31 December 2021	15,865,101	1,551,413	17,416,514
UK quoted investments	15,851,875	1,549,413	17,401,288
Cash held as part of investment portfolio	13,226	2,000	15,226
Total investments	15,865,101	1,551,413	17,416,514
Historic cost at 31 December 2021	10,854,879	1,242,825	12,097,704
Historic cost at 31 December 2020	10,322,766	1,238,041	11,560,807

2020	Main fund Portfolio £	Housing Association fund Portfolio £	Total £
Market value at 1 January 2020	14,478,775	1,543,973	16,022,748
Purchases during the year	1,058,883	29,689	1,088,572
Sales during the year	(1,075,486)	(29,689)	(1,105,175)
Realised gains on sales during the year	360,773	6,678	367,451
Unrealised gains	58,164	86,410	144,574
Movement in cash	15,653	40	15,693
Market value at 31 December 2020	14,896,762	1,637,101	16,533,863
UK quoted investments	14,875,857	1,634,601	16,510,458
Cash held as part of investment portfolio	20,905	2,500	23,405
Total investments	14,896,762	1,637,101	16,533,863
Historic cost at 31 December 2020	10,322,766	1,238,041	11,560,807
Historic cost at 31 December 2019	9,961,993	1,231,363	11,193,356

The portfolios for both funds are structured so that they invest in passive OEIC stocks. As a result, the majority of the investments exceeded 5% of the relevant portfolio.

At the year end date, the stocks consisted of the following Level 1 investments:

Main fund	Housing Association fund
Royal London UK All Share Tracker 2	BlackRock Col UK Gilts All Stocks - LA
iShares Pacific Ex Japan Eq Idx-L AC	iShares Corporate Bond Index F
iShares Corporate Bond Index F	
BlackRock Col UK Gilts All Stocks - LA	
BlackRock Collective Cont Euro	
BlackRock Collective North Amer	
BlackRock Collective Japan Eq Tracker	

The custodian of the investments is Bank of New York Mellon.

As a result of holding investments, the Foundation is exposed to a variety of risks, the most significant of which are credit risk, market risk and liquidity risk. The Foundation manages its risk in line with the central risk management function of the Group. The Group's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Group's regulators. Effective and efficient risk governance and oversight provide management with assurance that the Group's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the Group's strategic objectives.

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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)***8. INVESTMENTS (continued)****Credit risk**

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Foundation losing the principal amount invested, the interest accrued and any unrealised gains.

In accordance with Group policy, the Foundation manages its portfolios across the credit risk lifecycle, from drawing up risk strategy, plans, budgets and limits to making sure the actual risk profile of the Foundation's exposures stays in line with plans and the Foundation's appetite to risk.

Market risk

Market risk is the risk of losses on financial investments caused by adverse price movements through changes in equity prices or commodity prices, interest rate moves or foreign exchange fluctuations.

The Foundation mitigates market risk by ensuring diversification in the investments it holds by investing in a range of trackers funds, bonds and gilts over a wide geographical market and by monitoring the returns achieved during the financial year.

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Foundation does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due or can secure them only at excessive cost. The Foundation manages liquidity risk with the support of Santander UK plc, ensuring that the Foundation will have sufficient liquid resources in order to meet its obligations as they fall due.

9. CURRENT ASSETS

	2021 £	2020 £
Cash at bank and in hand	4,490,391	2,911,828
Other debtors	60,139	110,357
	4,550,530	3,022,185

Cash at bank and in hand includes cash held by third parties of £nil (2020: £nil). The remaining cash is held in bank accounts operated by Cater Allen Limited, a fellow subsidiary of Santander UK plc.

Other debtors wholly consist of cash held by Charitable Giving, as agent for the Foundation, for the purpose of issuing grants and making donations.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The following table shows the breakdown of accruals recognised at the year end date. All amounts are payable within one year.

	2021 £	2020 £
Grant creditor	150,000	-
Support costs – grant administration and grant processing costs	23,460	9,900
Other accruals	-	6,960
Total accruals	173,460	16,860

11. ALLOCATION OF NET ASSETS BETWEEN FUNDS

	Main fund Portfolio £	Housing Association fund Portfolio £	Total funds 2021 £
Investments	15,865,101	1,551,413	17,416,514
Cash	4,490,391	-	4,490,391
Other debtors	60,139	-	60,139
Unpaid grants	(150,000)	-	(150,000)
Accruals	(23,460)	-	(23,460)
Total funds	20,242,171	1,551,413	21,793,584

	Main fund Portfolio £	Housing Association fund Portfolio £	Total funds 2020 £
Investments	14,896,762	1,637,101	16,533,863
Cash	2,911,828	-	2,911,828
Other debtors	110,357	-	110,357
Accruals	(16,860)	-	(16,860)
Total funds	17,902,087	1,637,101	19,539,188

Note 16 shows the allocation of the investment portfolios between restricted, unrestricted and endowment.

NOTES TO THE FINANCIAL STATEMENTS *(continued)***12. STATEMENT OF FINANCIAL ACTIVITIES (SOFA) - PRIOR YEAR COMPARATIVE**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2020 £
Income and endowments from:					
Donations	2	4,035,000	-	-	4,035,000
Investments	3	321,921	29,689	-	351,610
Total		4,356,921	29,689	-	4,386,610
Expenditure on:					
Charitable activities	6	(3,452,418)	-	-	(3,452,418)
Total		(3,452,418)	-	-	(3,452,418)
Net gains on investments	8	-	-	426,268	426,268
Net income and net movement in funds for the year		904,503	29,689	426,268	1,360,460
Reconciliation of funds:					
Total funds brought forward	12,16	1,984,060	282,830	15,911,838	18,178,728
Total funds carried forward		2,888,563	312,519	16,338,106	19,539,188

13. LIABILITY OF MEMBERS

The liability of each Trustee to contribute to the assets of the Foundation on winding up is limited to £100.

NOTES TO THE FINANCIAL STATEMENTS *(continued)***14. DONATIONS AND GRANTS AWARDED TO CHARITIES £10,000 AND ABOVE**

Charity name	2021 £	2020 £
Alzheimer's Society (Charity Partner)	-	1,654,876
Age UK (Charity Partner)	-	1,500,213
Carmarthen Youth Project	100,000	-
Code your future	100,000	-
Create Arts	100,000	-
Leadership Through Sport and Business	100,000	-
Micro Rainbow CIC	100,000	-
Paddock Community Trust	100,000	-
Race Equality First	100,000	-
Social Action for Health	100,000	-
Street League	100,000	-
Arts & Disability Forum	100,000	-
Staffordshire Women's Aid	75,000	-
Journey	75,000	-
Willowacre Trust	75,000	-
QED Foundation	60,000	-
Charitable Giving	100,000	-
Grant Access 2 Business	100,000	-
Saltbox	50,000	-
Headliners UK	49,820	-
CHAS Bristol	41,668	-
Key Unlocking Futures	40,000	-
Great Yarmouth Refugee & Outreach Support Limited	75,000	-
Share Community Limited	75,000	-
Total donations and grants awarded above £10,000	1,816,488	3,155,089
Total donations and grants awarded below £10,000	300,098	156,848
Total donations and grants awarded during the year	2,116,586	3,311,937

15. RELATED PARTY DISCLOSURES

The Trustees are elected by the Members of the Foundation at the General Meeting and no trustees are appointed by Santander UK plc. The Foundation has received donations and gifts from Santander UK plc amounting to £3,324,000 (2020: £4,000,000).

Santander UK plc charged the Foundation with the cost of services borne on behalf of the Foundation of £56,331 (2020: £92,155). This re-charge is included in other support costs (see note 6) and was paid during the year.

Related party cash balances are held by Cater Allen Limited and were £4,490,391 at 31 December 2021 (2020: £2,911,828). There were no other transactions entered into with related parties during the year (2020: none).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

16. RESERVES

	As at 1 January 2021 £	Income £	Expenditure £	Investment gains £	As at 31 December 2021 £
Unrestricted Funds					
General Reserve	2,888,563	3,650,190	(2,309,288)	-	4,229,465
Total unrestricted funds	2,888,563	3,650,190	(2,309,288)	-	4,229,465
Restricted Funds					
General Reserve	312,519	27,040	-	-	339,559
Total restricted funds	312,519	27,040	-	-	339,559
Endowment Funds					
Endowment	6,940,962	-	-	-	6,940,962
Revaluation Reserve	9,397,144	-	-	886,454	10,283,598
Total Endowment funds	16,338,106	-	-	886,454	17,224,560
Total funds	19,539,188	3,677,230	(2,309,288)	886,454	21,793,584

	As at 1 January 2020 £	Income £	Expenditure £	Investment gains £	As at 31 December 2020 £
Unrestricted Funds					
General Reserve	1,984,060	4,356,921	(3,452,418)	-	2,888,563
Total unrestricted funds	1,984,060	4,356,921	(3,452,418)	-	2,888,563
Restricted Funds					
General Reserve	282,830	29,689	-	-	312,519
Total restricted funds	282,830	29,689	-	-	312,519
Endowment Funds					
Endowment	6,940,962	-	-	-	6,940,962
Revaluation Reserve	8,970,876	-	-	426,268	9,397,144
Total Endowment funds	15,911,838	-	-	426,268	16,338,106
Total funds	18,178,728	4,386,610	(3,452,418)	426,268	19,539,188

Unrestricted funds are available for use at the discretion of the Trustees to further the objectives of the Foundation.

Restricted funds are for grants to charities working on housing related causes.

Endowment Funds represent funds invested by the charity from which it derives investment income. The movement during the year is driven by net unrealised gains from the increase in market values of the underlying investments.

17. CAPITAL COMMITMENTS

The Foundation had no capital commitments at the balance sheet date.

18. GRANT COMMITMENTS

The foundation awarded grants of £1,666,368 to 21 entities during the financial year. A further £1,333,636 was committed and will be paid between 2022 and 2023 subject to condition of the grant agreement being met. This totals £3,000,004 over a three year period.