

V12 Personal Finance Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered Number 05418233

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Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2014. The directors have taken advantage of the small companies' exemption with regards to the preparation of a strategic report. As such, no report has been prepared for the year ended 31 December 2014.

Principal activity and business review

V12 Personal Finance Limited ("the Company") did not trade during the year except for a limited number of legal fees incurred, as it currently assigns any new loans immediately to Secure Trust Bank PLC, with no profit or loss arising on the assignment.

Results for the year

The Statement of Comprehensive Income is set out on page 4. The Company suffered legal fees in 2014. The directors do not consider any change in the principal activity in the ensuing year. The loss for the year of £28,280 (2013: £nil) has been transferred to reserves. The directors do not recommend the payment of a dividend (2013: £nil).

Directors

N J Davies

P A Lynam

J M Bowers

J R Morris (resigned 31 March 2014)

Directors' Interests

Of the directors holding office at 31 December 2014 Mr Lynam is a director of the ultimate parent company Arbuthnot Banking Group PLC and his interest in the share capital of that company is shown in that company's Directors' Report.

Mr Lynam is also a director of the immediate parent company, Secure Trust Bank PLC. His interest in the share capital of that company is shown in that company's Directors' Report.

No director had a beneficial interest in shares of the Company during the year.

Third party indemnity provisions

The directors of the Company have an insurance policy in place to provide them with indemnity cover. This policy was in force during the financial period and also at the date of approval of these financial statements.

Risk management

The Company regards the monitoring and controlling of risks as a fundamental part of the management process. Consequently, senior management are involved in the development of risk management policies and in monitoring their application. The Company's overall approach to managing internal control and financial reporting is described in note 3.

Going concern

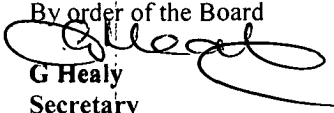
After making appropriate enquiries which assessed strategy, profitability, funding and capital resources, the directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future. The financial statements are therefore prepared on the going concern basis.

Auditor

Each director in office at the date of this Directors' Report confirms that so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

KPMG Audit Plc resigned as auditor on 27 March 2014 pursuant to section 516 of the Companies Act 2006. On 18 August 2014 the directors appointed KPMG LLP as auditor of the Company to fill the casual vacancy as auditor under section 485 (3) of the Companies Act 2006. KPMG LLP has indicated its willingness to continue in office and a resolution to reappoint it as auditor will be proposed at the next Annual General Meeting.

By order of the Board


G Healy
Secretary

13 March 2015

Statement of directors' responsibilities

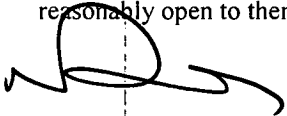
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



N J Davies
Director

13 March 2015

Independent auditor's report

to the members of V12 Personal Finance Limited

We have audited the financial statements of V12 Personal Finance Limited for the year ended 31 December 2014 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



Peter Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

1 April 2015

Statement of comprehensive income

		Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
	Note		
Operating expenses	4	(36)	-
Loss before income tax		(36)	-
Income tax credit	6	8	-
Loss for the year		(28)	-
Loss attributable to:			
Equity holders of the Company		(28)	-
Total comprehensive income attributable to:			
Equity holders of the Company		(28)	-

The Company has no recognised gains or losses other than those included in the results above.

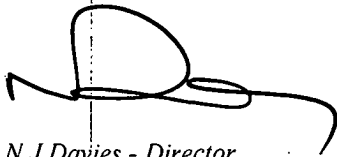
The Company's results above are from continuing operations.

The notes on pages 8 to 12 are an integral part of these financial statements

Statement of financial position

		At 31 December	
		2014	2013
		£000	£000
	Note		
ASSETS			
Cash at bank	7	-	61
Other assets	9	1,397	526
Total assets		1,397	587
EQUITY AND LIABILITIES			
Liabilities			
Bank overdrafts	10	1,425	587
Total liabilities		1,425	587
Equity attributable to owners of the parent			
Share capital	11	-	-
Retained earnings		(28)	-
Total equity		(28)	-
Total equity and liabilities		1,397	587

The financial statements on pages 4 to 12 were approved by the Board of Directors on 13 March 2015 and were signed on its behalf by:



N J Davies - Director

Company number: 05418233

The notes on pages 8 to 12 are an integral part of these financial statements

Statement of changes in equity

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2013	-	-	-
Total comprehensive income for the period			
Profit for the year ended 31 December 2013	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 31 December 2013	-	-	-
Total comprehensive income for the period			
Loss for the year ended 31 December 2014	-	(28)	(28)
Total comprehensive income for the period	-	(28)	(28)
Balance at 31 December 2014	-	(28)	(28)

The notes on pages 8 to 12 are an integral part of these financial statements

Statement of cash flows

	Year ended 31 December 2014 £000	Year ended 31 December 2013 £000
Cash flows from operating activities		
Loss for the year	(28)	-
Income tax credit	(8)	-
Cash flows from operating losses before changes in operating assets and liabilities	(36)	-
Changes in operating assets and liabilities:		
- net decrease in loans and advances to customers	-	377
- net increase in other assets	(863)	(892)
- net decrease in other liabilities	-	(6,457)
Net cash flow from operating activities	(899)	(6,972)
Cash flows from investing activities		
Proceeds from the disposal of assets	-	33,606
Net cash from investing activities	-	33,606
Cash flows from financing activities		
Reduction in cash balances on the disposal of assets	-	(143)
Repayment of bank loans following the disposal of assets	-	(28,135)
Net cash used in financing activities	-	(28,278)
Net increase in cash and cash equivalents	(899)	(1,644)
Cash and cash equivalents at 1 January	(526)	1,118
Cash and cash equivalents at 31 December	(1,425)	(526)

The notes on pages 8 to 12 are an integral part of these financial statements

Notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Reporting entity

V12 Personal Finance Limited is a company domiciled in the United Kingdom. The registered address of the Company is One Arleston Way, Solihull, West Midlands, B90 4LH.

1.2 Basis of presentation

The Company has first time adopted International Financial Reporting Standards (IFRSs) in 2014 and therefore the Company's financial statements have been prepared in accordance with IFRSs (as adopted and endorsed by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The Company's financial statements were previously prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Company has not taken advantage of any exemption under IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

The financial statements have been prepared under the historical cost convention and are presented in pounds sterling, which is the Company's functional and presentational currency.

The first time adoption of IFRS by the Company has had no material impact on the financial statements of the Company.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The directors have assessed, in the light of current and anticipated economic conditions, the Company's ability to continue as a going concern. The directors confirm they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing accounts.

a) Interpretations and amendments to existing standards applicable to the Company which are effective for annual periods beginning on 1 January 2014 or which have been early adopted:

- IAS 27 'Separate Financial Statements (2011)' carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements, with some minor clarifications. The requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011).
- IAS 32 (Revised) 'Offsetting Financial Assets and Financial Liabilities'. This standard was amended to clarify the offsetting criteria, specifically when an entity currently has a legal right of set off and when gross settlement is equivalent to net settlement.
- IAS 36 (Revised) 'Impairment of Assets'. The amendment reverses the unintended requirement in IFRS 13 'Fair Value Measurement' to disclose the recoverable amount of every cash-generating unit to which significant goodwill or intangible assets with indefinite lives have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.
- IFRIC 21 'Levies'. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. A levy should be recognised as a liability when, and only when, the triggering event specified in the legislation occurs.

The above changes did not have any material impact on the financial statements.

b) Published standards and amendments to existing standards applicable to the Company which are not yet effective and which have not been early adopted:

- Annual improvements to IFRSs (2010-2012 and 2011-2013 cycles) (effective for annual periods beginning after 1 February 2015). Sets out minor improvements to IFRS standards as part of the annual improvement process.

Notes to the financial statements

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning after 1 January 2017). The standard replaces a number of existing standards and interpretations and applies to contracts with customers, but does not apply to insurance contracts, financial instruments or lease contracts, which are in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. The standard specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative relevant disclosures. It introduces a new revenue recognition model that recognises revenue either at a point in time or over time. The model features a principles-based five-step model to be applied to all contracts with customers.¹
- IFRS 9 'Financial instruments' (effective for annual periods beginning after 1 January 2018). This is the IASB's replacement of IAS 39 'Financial Instruments: Recognition and Measurement'. Phase one of this standard deals with the classification and measurement of financial assets and represents a significant change from the existing requirements in IAS 39. The standard contains three primary measurement categories for financial assets: 'amortised cost', 'fair value through other comprehensive income' and 'fair value through profit or loss' and eliminates the existing categories of 'held to maturity', 'available for sale' and 'loans and receivables'. Phase two of the standard covers impairment, with a new expected loss impairment model that will require expected credit losses to be accounted for from when financial instruments are first recognised and lowers the threshold for the recognition of full lifetime expected losses. Phase three covers general hedge accounting and introduces a substantially reformed model for hedge accounting with enhanced disclosure about risk management activity. The new model aligns the accounting treatment with risk management activities. The potential effect of the three phases of this standard is not expected to have a pervasive impact on the Company's financial statements.¹

The above standards and amendments to existing standards are unlikely to have a material impact on the Company.

¹ *These standards and amendments to existing standards have not yet been endorsed by the EU.*

1.3 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash, loans and advances to banks and bank overdrafts.

1.4 Income taxation

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

Notes to the financial statements

2. Maturity analysis of assets and liabilities

The table below shows the maturity analysis of the Company's assets and liabilities as at 31 December 2014:

	Due within one year	Due after more than one year	Total
At 31 December 2014	£000	£000	£000
ASSETS			
Other assets	1,397	-	1,397
Total assets	1,397	-	1,397
LIABILITIES			
Bank overdrafts	1,425	-	1,425
Total liabilities	1,425	-	1,425

The table below shows the maturity analysis of the Company's assets and liabilities as at 31 December 2013:

	Due within one year	Due after more than one year	Total
At 31 December 2013	£000	£000	£000
ASSETS			
Cash at bank	61	-	61
Other assets	526	-	526
Total assets	587	-	587
LIABILITIES			
Bank overdrafts	587	-	587
Total liabilities	587	-	587

3. Financial risk management

Strategy

The directors and senior management of the Company have formally adopted a Risk and Controls Policy which sets out the Board's attitude to risk and internal controls. Key risks identified by the directors are formally reviewed and assessed at least once a year by the Board, in addition to which key business risks are identified, evaluated and managed by operating management on an ongoing basis by means of procedures such as physical controls, credit and other authorisation limits and segregation of duties. The Board also receives regular reports on any risk matters that need to be brought to its attention. Significant risks identified in connection with the development of new activities are subject to consideration by the Board.

The Company is not exposed to Credit, Market or Liquidity risks.

4. Operating expenses

The Company incurred legal costs during the year of £36,000 (2013: none).

The audit fees for the current and prior year were borne by the Company's sister company V12 Retail Finance Limited, which made no recharge to the Company.

Notes to the financial statements

5. Employee information

The Company had no employees during 2014 (2013: none).

The directors' emoluments of Mr Lynam and Mr Bowers were paid by the Company's intermediate parent company Secure Trust Bank PLC. The directors' emoluments of Mr Davies and Mr Morris were paid by the Company's sister company V12 Retail Finance Limited. Neither company made recharges to the Company for their services.

6. Income tax credit

	2014 £000	2013 £000
Current taxation		
Corporation tax credit - current year	(8)	-
	(8)	-
Income tax credit	(8)	-
Tax reconciliation		
Loss before tax	(36)	-
Tax at 21.5% (2013: 23.25%)	(8)	-
Income tax credit for the year	(8)	-

7. Cash at bank

The cash at bank represents monies placed on deposit with the Company's Principal Banker which are repayable on demand.

8. Property, plant and equipment

	Computer and other equipment £000
Cost or valuation	
At 1 January 2013	78
Disposals	(78)
At 31 December 2013	-
At 31 December 2014	-
Accumulated depreciation	
At 1 January 2013	(38)
Disposals	38
At 31 December 2013	-
At 31 December 2014	-
Net book amount	
At 31 December 2013	-
At 31 December 2014	-

Notes to the financial statements

9. Other assets

	2014	2013
	£000	£000
Amounts due from the intermediate parent company	1,397	526
	1,397	526

Amounts due from the intermediate parent company

Amounts due from the intermediate parent company have no fixed date for repayment and are therefore technically repayable on demand. They are accounted for as financial assets, measured at amortised cost and the fair value is not considered to be significantly different from the carrying value.

10. Bank overdrafts

The bank overdrafts are with the Company's Principal Banker and are repayable on demand.

11. Share capital

	Number of shares	Ordinary shares £000
At 31 December 2013 and at 31 December 2014	1	-

There was no movement in the issued share capital in the current or prior year. The total number of ordinary shares in issue at 31 December 2013 and 31 December 2014 was 1 with a par value of £1 per share (2013: £1 per share). The issued share is fully paid.

12. Related party transactions

Following the acquisition of the entire share capital of the Company's immediate parent company, V12 Finance Group Limited, by Secure Trust Bank PLC on 2 January 2013, the Company assigns all new loans originated on its legal paperwork to Secure Trust Bank PLC based on the value of the loan written for no profit or loss. During the year the value of the loans assigned was £8,410,264 (2013: £43,934,514).

During the year and the previous year the Company has collected customer repayments and made payments to retailers on behalf of Secure Trust Bank PLC.

Amounts due from related companies are included in note 9.

13. Immediate and ultimate parent company

The directors regard Arbuthnot Banking Group PLC, a Company registered in England and Wales, as the ultimate parent company. Henry Angest, the Group Chairman and Chief Executive has a beneficial interest in 53.7% of the issued share capital of Arbuthnot Banking Group PLC and is regarded by the directors as the ultimate controlling party. A copy of the consolidated financial statements of Arbuthnot Banking Group PLC may be obtained from the Secretary, Arbuthnot Banking Group PLC, One Arlestone Way, Solihull, West Midlands, B90 4LH.

The immediate parent company is V12 Finance Group Limited. A copy of the financial statements of V12 Finance Group Limited may be obtained from V12 Finance Group Limited, One Arlestone Way, Solihull, West Midlands, B90 4LH.

14. Events after the balance sheet date

There were no post balance sheet events.

Corporate contacts & advisers

Secretary & Registered Office

G Healy
One Arleston Way
Solihull
West Midlands
B90 4LH
T 0121 693 9100
F 0121 693 9124

Advisers

Independent Auditor:
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Principal Bankers:
Barclays Bank PLC
38 Hagley Road
Edgbaston
Birmingham
B16 8NY

National Westminster Bank plc
City of London Office
1 Princess Street
London
EC2R 8PA