

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

Registered Number 07498951

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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

The principal activity of V12 Finance Group Limited ("the Company") during the year continued to be a holding company for a group of companies involved in the provision of fixed rate and revolving finance in the retail credit market.

Results for the year

The directors are satisfied with the performance of the Company during the year and do not envisage any significant change in the principal activity in the ensuing year. The Statement of Comprehensive Income is set out on page 4.

The profit for the year was £nil (2013: £500,055). The directors recommend the payment of a final dividend of £39 per ordinary share, totalling £1,998,789 (2013: interim dividend of £10 per ordinary share, totalling £512,510).

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.

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

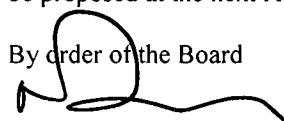
After making appropriate enquiries which assessed strategy, profitability, funding and capital resources, the directors are satisfied that the Company has adequate resources to continue in operation for the foreseeable future. The financial statements are therefore prepared on the going concern basis.

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



N J Davies

Director

13 March 2015

Statement of directors' responsibilities

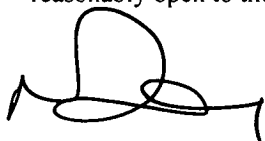
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 Finance Group Ltd

We have audited the financial statements of V12 Finance Group 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 result 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; or
- 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		
Income from fixed asset investments	9	-	500
Profit before income tax		-	500
Profit for the year		-	500
Profit attributable to:			
Equity holders of the Company		-	500
Total comprehensive income attributable to:			
Equity holders of the Company		-	500

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

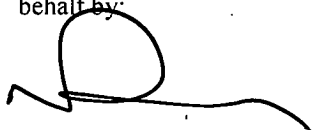
The Company's results above are from continuing operations.

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

Statement of financial position

		At 31 December	
	Note	2014 £000	2013 £000
ASSETS			
Fixed asset investments	5	2,699	2,699
Other assets	6	74	74
Total assets		2,773	2,773
EQUITY AND LIABILITIES			
Liabilities			
Other liabilities	7	1,983	1,983
Total liabilities		1,983	1,983
Equity attributable to owners of the parent			
Share capital	8	51	51
Share premium		729	729
Retained earnings		10	10
Total equity		790	790
Total equity and liabilities		2,773	2,773

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: 07498951

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

Statement of changes in equity

	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Balance at 1 January 2013	51	729	23	803
Total comprehensive income for the period				
Profit for the year ended 31 December 2013	-	-	500	500
Total comprehensive income for the period	-	-	500	500
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends paid	-	-	(513)	(513)
Total contributions by and distributions to owners	-	-	(513)	(513)
Balance at 31 December 2013	51	729	10	790
Total comprehensive income for the period				
Profit for the year ended 31 December 2014	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Balance at 31 December 2014	51	729	10	790

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		
Profit for the year	-	500
Cash flows from operating profits before changes in operating assets and liabilities	-	500
Changes in operating assets and liabilities:		
- net decrease in other assets	-	5,092
- net decrease in other liabilities	-	(69)
Net cash flow from operating activities	-	5,523
Repayments of loans	-	(5,010)
Dividends paid	-	(513)
Net cash used in financing activities	-	(5,523)
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

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 Finance Group Limited is a company domiciled in the United Kingdom. The registered address of the Company is One Arlestone 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 Fixed asset investments

Investments in subsidiary undertakings are recorded at cost less any impairment which the directors determine is reasonable to reflect the current position.

1.4 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 building societies and short-term highly liquid debt securities.

1.5 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
	£000	£000	£000
At 31 December 2014			
ASSETS			
Fixed asset investments	-	2,699	2,699
Other assets	74	-	74
Total assets	74	2,699	2,773
LIABILITIES			
Other liabilities	1,982	-	1,982
Total liabilities	1,982	-	1,982

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
	£000	£000	£000
At 31 December 2013			
ASSETS			
Fixed asset investments	-	2,699	2,699
Other assets	74	-	74
Total assets	74	2,699	2,773
LIABILITIES			
Other liabilities	1,983	-	1,983
Total liabilities	1,983	-	1,983

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. 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 subsidiary company V12 Retail Finance Limited. Neither company made recharges to the Company for their services.

Notes to the financial statements

5. Fixed asset investments

	Shares at cost £'000
At 31 December 2013 and at 31 December 2014	2,699

The subsidiary undertakings of the Company at 31 December 2013 and 31 December 2014 were:

	Country of incorporation	Interest % in ordinary shares	Principal activity
V12 Personal Finance Limited	UK	100	Dormant
V12 Retail Finance Limited	UK	100	Sourcing and servicing of unsecured loans

Both subsidiary undertakings are unlisted and have an accounting reference date of 31 December. Neither of the subsidiary undertakings are banking institutions.

6. Other assets

	2014 £000	2013 £000
Amounts due from related companies	74	74
	74	74

Amounts due from related companies

Amounts due from related companies 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.

7. Other liabilities

	2014 £000	2013 £000
Amounts due to the immediate parent company	1,983	1,983
	1,983	1,983

Amounts due to the immediate parent company

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

8. Share capital

	Number of ordinary shares	Ordinary shares £000
At 1 January and at 31 December 2014	51,251	51

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 51,251 with a par value of £1 per share (2013: £1 per share). All issued shares are fully paid.

Notes to the financial statements

9. Related party transactions

During the year the Company undertook no transactions with other companies in the group headed by the ultimate parent company, Arbuthnot Banking Group PLC. In the preceding year, the Company paid a dividend of £512,510 to its parent company, Secure Trust Bank PLC and received a dividend of £500,000 from its subsidiary company, V12 Retail Finance Limited.

Amounts due to or from related companies are included in note 6 and 7.

10. 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 Secure Trust Bank PLC. A copy of the financial statements of Secure Trust Bank PLC may be obtained from Secure Trust Bank PLC, One Arlestone Way, Solihull, West Midlands, B90 4LH.

11. Events after the balance sheet date

There were no post balance sheet events.

Corporate contacts & advisers

Registered Office

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Solihull
West Midlands,
B90 4LH
T 0121 693 9100
F 0121 693 9124

Advisers

Independent Auditor:
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