

V12 Finance Group Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered Number 07498951

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Directors' report

The Directors present their report and the financial statements for the year ended 31 December 2021. The Directors have taken advantage of the small companies' exemption under section 414B of the Companies Act 2006 with regards to the preparation of a Strategic report. As such, no report has been prepared for the year ended 31 December 2021. Furthermore, the Directors have also taken advantage of the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 comprising of V12 Retail Finance Limited and V12 Personal Finance Limited.

- V12 Retail Finance Limited is involved in facilitating consumer credit applications and the provision of comprehensive loan servicing arrangements.
- V12 Personal Finance Limited is non-trading.

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 Company's subsidiary undertakings paid an interim dividend to the Company during the year of £4,814,000 (2020: £5,721,000), amounting to £93.93 per share (2020: £111.63 per share). Therefore, the profit for the year was £4,814,000 (2020: £5,721,000).

The directors do not propose to pay a final dividend in respect of 2021.

Officers serving during the year and up until the date of signing

Directors

J M Bowers

N J Davies

P A Lynam (resigned 5 January 2021)

D A McCreadie (appointed 5 January 2021)

Secretary

M Stevens

Directors' interests

Of the Directors holding office at 31 December 2021, D A McCreadie was a director of Secure Trust Bank PLC, the ultimate parent company. His interests in the share capital of that company are shown in the Directors' report of that company's 2021 annual report and accounts. The interests of the remaining directors and their connected persons in the parent Company's ordinary share as at 31 December 2021 are set out below.

	2021 Long Term Incentive plan share scheme	2021 Deferred bonus plan	2021 Sharesave scheme	2021 Total	2020 Long Term Incentive plan share scheme	2020 Deferred bonus plan	2020 Sharesave scheme	2020 Total
	Number	Number	Number	Number	Number	Number	Number	Number
N J Davies								
1 January	38,404	5,011	3,388	46,803	23,346	-	1,364	24,710
Granted during the year	15,085	1,702	-	16,787	17,857	5,011	3,388	26,256
Exercised during the year	-	-	-	-	-	-	-	-
Lapsed during the year	(10,257)	-	-	(10,257)	(2,799)	-	(1,364)	(4,163)
31 December	43,232	6,713	3,388	53,333	38,404	5,011	3,388	46,803

Directors' report

	2021 Long Term Incentive plan share scheme Number	2020 Long Term Incentive plan share scheme Number
J M Bowers		
1 January	24,609	13,615
Granted during the year	10,622	14,286
Exercised during the year	(590)	(493)
Lapsed during the year	(3,344)	(2,799)
31 December	31,297	24,609

Details of the scheme are shown in Secure Trust Bank PLC's 2021 Annual Report and Accounts. 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 year and also at the date of approval of the 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 2.

Going concern

The ultimate parent company, Secure Trust Bank PLC has agreed that it will continue to provide the Company with financial and non-financial support for a period of at least 12 months from the date of approval of the financial statements. The Directors are satisfied that the ultimate parent company has the ability to provide financial support when necessary. The Group's stress testing exercise, covering capital and liquidity, demonstrated its ability to continue as a going concern. Further details of this can be found on pages 36 and 37 of Secure Trust Bank PLC's 2021 Annual Report and Accounts. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Approved by the Board and signed on its behalf



N J Davies

Director

21 September 2022

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 the directors are required to prepare the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with UK adopted International Financial Reporting Standards ('IFRSs'), as issued by the IASB.

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
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- state whether they have been prepared in accordance with UK adopted IFRSs as issued by the IASB
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are 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, and 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with UK adopted IFRS as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole.

This responsibility statement was approved by the Board of Directors on 20 September 2022 and is signed on their behalf by:



N J Davies

Director

21 September 2022

Statement of comprehensive income

		Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
	Note		
Income from investment in subsidiaries	7	4,814	5,721
Profit before income tax		4,814	5,721
Profit for the year		4,814	5,721
Profit attributable to:			
Equity holders of the Company		4,814	5,721
Total comprehensive income attributable to:			
Equity holders of the Company		4,814	5,721

The Company has no recognised gains or losses other than those included in the results above hence a Statement of Other Comprehensive Income has not been prepared.

The Company's results above are from continuing operations.

The notes on pages 8 to 10 are an integral part of these financial statements

Statement of financial position

	Note	At 31 December	
		2021	2020
		£000	£000
ASSETS			
Investment in subsidiaries	4	2,699	2,699
Total assets		2,699	2,699
EQUITY AND LIABILITIES			
Liabilities			
Other liabilities	5	1,908	1,908
Total liabilities		1,908	1,908
Equity attributable to owners of the parent			
Share capital	6	51	51
Share premium		729	729
Retained earnings		11	11
Total equity		791	791
Total equity and liabilities		2,699	2,699

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 4 to 10 were approved by the Board of Directors on 20 September 2022 and were signed on its behalf by:



N J Davies
Director

Company number: 07498951

The notes on pages 8 to 10 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 2020	51	729	11	791
Total comprehensive income for the period				
Profit for the year ended 31 December 2020	-	-	5,721	5,721
Total comprehensive income for the period	-	-	5,721	5,721
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends paid	-	-	(5,721)	(5,721)
Total contributions by and distributions to owners	-	-	(5,721)	(5,721)
Balance at 31 December 2020	51	729	11	791
Total comprehensive income for the period				
Profit for the year ended 31 December 2021	-	-	4,814	4,814
Total comprehensive income for the period	-	-	4,814	4,814
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends paid	-	-	(4,814)	(4,814)
Total contributions by and distributions to owners	-	-	(4,814)	(4,814)
Balance at 31 December 2021	51	729	11	791

The notes on pages 8 to 10 are an integral part of these financial statements

Statement of cash flows

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Cash flows from operating activities		
Profit for the year	4,814	5,721
Income from fixed asset investments	(4,814)	(5,721)
Changes in operating assets and liabilities:		
- net movement in other assets	-	15,111
- net movement in other liabilities	-	(15,111)
Net cash flow from operating activities	-	-
Net movement 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 10 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 private company limited by shares and incorporated and domiciled in England and Wales 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's financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB.

The Company is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group. The Company and all of its subsidiary undertakings are included in the consolidated financial statements of Secure Trust Bank PLC, a public limited company incorporated in England and Wales in the United Kingdom.

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 preparation of financial statements in conformity with UK adopted 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. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are described in Note 1.6 below.

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.

1.3 Income from investment in subsidiaries

Income from investments in subsidiary undertakings is recognised when received.

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.

1.5 Investment in subsidiaries

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

1.6 Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgements and key sources of estimation uncertainty that have any impact on either the financial result for the year or the Statement of financial position as at 31 December 2021.

Notes to the financial statements

2. Financial risk management

Strategy

The Directors and senior management of the Company have formally adopted an Operational Risk Framework 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

3. Employee information

The Company had no employees during 2021 (2020: none).

The Directors' emoluments of D A McCreadie, P A Lynam and J M Bowers were paid by the Company's ultimate parent company Secure Trust Bank PLC. The Directors' emoluments of N J Davies were paid by the intergroup company V12 Retail Finance Limited. Neither company made recharges to the Company for their services.

The Company did not incur any expenses during the year (2020: £nil).

4. Investment in subsidiaries

	Shares at cost £000
At 31 December 2020 and at 31 December 2021	2,699

The subsidiary undertakings of the Company at 31 December 2020 and 31 December 2021 were:

	Country of incorporation	Interest % in ordinary shares	Principal activity
V12 Personal Finance Limited	UK	100	Non-trading
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. The address of both subsidiaries is the same as the registered office of the Company.

5. Other liabilities

	2021 £000	2020 £000
Amounts due to the immediate parent company – Secure Trust Bank PLC	1,908	1,908
	1,908	1,908

Amounts due to the immediate parent company

Amounts due to the immediate parent company do not bear any interest, 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.

Notes to the financial statements

6. Share capital

	Number of ordinary shares	Share capital £000
At 31 December 2020 and 31 December 2021	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 2020 and 31 December 2021 was 51,251 with a par value of £1 per share (2020: £1 per share). All issued shares are fully paid.

The Directors have recommended a payment of a further and final dividend of £7,899,000 for the year (2021: £4,814,000) which is contingent on receiving £7,899,000 dividend income from V12 Retail Finance Limited.

7. Related party transactions

During the year, the Company paid a dividend of £93.93 per share, amounting to a total of £4,814,000 (2020: £111.63 per share, amounting to a total of £5,721,000) to its parent company, Secure Trust Bank PLC and received a dividend of £4,814,000 (2020: £5,721,000) from its subsidiary company, V12 Retail Finance Limited.

Amounts due to related company are included in Note 5.

8. Immediate and ultimate parent company

The immediate and ultimate parent company Secure Trust Bank PLC is the only company in the group that prepares consolidated financial statements. 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.

Corporate contacts & advisers

Secretary & Registered Office

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