

**V12 Finance Group Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2020**

Registered Number 07498951



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# Directors' report

The Directors present their report and the financial statements for the year ended 31 December 2020. 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 2020. 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 dormant.

## 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 a dividend to the Company during the year of £5,721,000 (2019: £15,111,000), amounting to £111.63 per share (2019: £294.84 per share) Therefore the profit for the year was £5,721,000 (2019: £15,111,000). The Company's subsidiary recommended a payment of a further and final dividend of £4,814,000 for the year (2019: £nil).

The Company is also recommending a payment of a further and final dividend of £4,814,000 which is contingent on receiving £4,814,000 dividend income from V12 Retail Finance Limited.

## 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)

### Secretaries

G Healy-Thomas (resigned 20 November 2020)

M Stevens (appointed 20 November 2020)

## Directors' interests

Of the Directors holding office at 31 December 2020, P A Lynam was a director of Secure Trust Bank PLC the ultimate and immediate parent company. His interest in the share capital of that company is shown in the Directors' report of that company's 2020 annual report and accounts. During the year the Directors were awarded the following options over shares in Secure Trust Bank PLC and paid under long term incentive schemes:

	1 January 2020	Granted during the year	Exercised during the year	Lapsed during the year	31 December 2020
	Number	Number	Number	Number	Number
<b>N J Davies</b>					
2017 Long term incentive plan share scheme	23,346	17,857	-	(2,799)	38,404
2017 Deferred Bonus Plan	-	5,011	-	-	5,011
2017 Sharesave scheme	1,364	3,388	-	(1,364)	3,388
	<b>24,710</b>	<b>26,256</b>	<b>-</b>	<b>(4,163)</b>	<b>46,803</b>
	1 January 2020	Granted during the year	Exercised during the year	Lapsed during the year	31 December 2020
	Number	Number	Number	Number	Number
<b>J M Bowers</b>					
2017 Long term incentive plan share scheme	13,615	14,286	(493)	(2,799)	24,609

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# Directors' report

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Details of the scheme are shown in Secure Trust Bank PLC's 2020 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, and the Company is a key part of the Group's overall business activities. The Group's stress testing exercise, covering capital and liquidity and assessing the potential impact of COVID-19, demonstrated its ability to continue as a going concern. Further details of this can be found on pages 50 and 51 of Secure Trust Bank PLC Annual Report & 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

13 August 2021

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# Statement of Directors' responsibilities

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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 international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with 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 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.

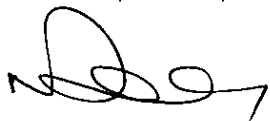
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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 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 12 August 2021 and is signed on their behalf by:



**N J Davies**

Director

13 August 2021

# Statement of comprehensive income

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	£000	£000
Income from investment in subsidiaries	8	5,721	15,111
<b>Profit before income tax</b>		<b>5,721</b>	<b>15,111</b>
<b>Profit for the year</b>		<b>5,721</b>	<b>15,111</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		5,721	15,111
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		5,721	15,111

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

		At 31 December	
	Note	2020 £000	2019 £000
<b>ASSETS</b>			
Investment in subsidiaries	4	2,699	2,699
Other assets	5	-	15,111
<b>Total assets</b>		<b>2,699</b>	<b>17,810</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Other liabilities	6	1,908	17,019
<b>Total liabilities</b>		<b>1,908</b>	<b>17,019</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	7	51	51
Share premium		729	729
Retained earnings		11	11
<b>Total equity</b>		<b>791</b>	<b>791</b>
<b>Total equity and liabilities</b>		<b>2,699</b>	<b>17,810</b>

For the year ending 31 December 2020 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 12 August 2021 and were signed on its behalf by:



**N J Davies**  
Director  
13 August 2021

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
<b>Balance at 1 January 2019</b>	<b>51</b>	<b>729</b>	<b>11</b>	<b>791</b>
<b>Total comprehensive income for the period</b>				
Profit for the year ended 31 December 2019	-	-	15,111	15,111
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>15,111</b>	<b>15,111</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Dividends paid	-	-	(15,111)	(15,111)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(15,111)</b>	<b>(15,111)</b>
<b>Balance at 31 December 2019</b>	<b>51</b>	<b>729</b>	<b>11</b>	<b>791</b>
<b>Total comprehensive income for the period</b>				
Profit for the year ended 31 December 2020	-	-	5,721	5,721
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>5,721</b>	<b>5,721</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
Dividends paid	-	-	(5,721)	(5,721)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(5,721)</b>	<b>(5,721)</b>
<b>Balance at 31 December 2020</b>	<b>51</b>	<b>729</b>	<b>11</b>	<b>791</b>

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



# Statement of cash flows

	Year ended 31 December 2020 £000	Year ended 31 December 2019 £000
<b>Cash flows from operating activities</b>		
Profit for the year	5,721	15,111
Income from fixed asset investments	(5,721)	(15,111)
Changes in operating assets and liabilities:		
- net movement in other assets	15,111	(15,111)
- net movement in other liabilities	(15,111)	15,111
<b>Net cash flow from operating activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
Dividends received	20,832	-
<b>Net cash flows from investing activities</b>	<b>20,832</b>	<b>-</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
Dividends paid	(20,832)	-
<b>Net cash flow from financing activities</b>	<b>(20,832)</b>	<b>-</b>
<b>Net movement in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at 1 January	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>-</b>	<b>-</b>

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

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# Notes to the financial statements

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## **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, Shirley, Solihull, West Midlands, B90 4LH.

### **1.2 Basis of presentation**

The Company's financial statements have been prepared in accordance with 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 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 2020.

## **2. 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.

# Notes to the financial statements

## 3. Employee information

The Company had no employees during 2020 (2019: none).

The Directors' emoluments of 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 (2019: £nil).

## 4. Investment in subsidiaries

	Shares at cost £000
At 31 December 2019 and at 31 December 2020	<b>2,699</b>

The subsidiary undertakings of the Company at 31 December 2019 and 31 December 2020 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. The address of both subsidiaries is the same as the registered office of the Company.

## 5. Other assets

	2020 £000	2019 £000
Amounts due from related companies – V12 Retail Finance Limited	-	15,111
	<b>-</b>	<b>15,111</b>

### Amounts due from related companies

Amounts due from related companies do not bear any interest, 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.

## 6. Other liabilities

	2020 £000	2019 £000
Amounts due to the immediate parent company – Secure Trust Bank PLC	1,908	17,019
	<b>1,908</b>	<b>17,019</b>

### 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

## 7. Share capital

	Number of ordinary shares	Share capital £000
At 31 December 2019 and 31 December 2020	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 2019 and 31 December 2020 was 51,251 with a par value of £1 per share (2019: £1 per share). All issued shares are fully paid.

A dividend of £111.63 per share, amounting to a total of £5,721,000 was approved during the year (2019: £294.84 per share, amounting to a total of £15,111,000). The Directors have recommended a payment of a further and final dividend of £4,814,000 for the year (2019: £nil) which is contingent on receiving £4,814,000 dividend income from V12 Retail Finance Limited.

## 8. Related party transactions

During the year, the Company paid a dividend of £5,721,000 (2019: £15,111,000) to its parent company, Secure Trust Bank PLC and received a dividend of £5,721,000 (2019: £15,111,000) from its subsidiary company, V12 Retail Finance Limited.

Amounts due to or from related companies are included in Notes 5 and 6.

## 9. 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, B90 4LH.

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# Corporate contacts & advisers

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## **Secretary & Registered Office**

G Healy-Thomas (up until 20 November 2020)

M PD Stevens (from 20 November 2020)

One Arleston Way

Shirley

Solihull

West Midlands

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