

VMBS OVERSEAS (UK) LTD.
Directors' Report and Financial Statements
Registered Number 04592813
Year ended 31 December 2019

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VMBS OVERSEAS (UK) LTD.
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

Company Registration Number:	04592813
Registered Office:	380 Brixton Road Brixton SW9 7AW London
Directors:	Noel M. Hann Courtney Campbell Peter Reid
Secretary:	TMF Corporate Administration Services Limited
Independent Auditors:	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR

VMBS OVERSEAS (UK) LTD.
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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DIRECTOR'S REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Principal activities

The principal activities of the company are to provide representative management functions to the company's immediate and ultimate parent undertaking, including the provision of assistance with marketing and promotional activities.

Business review

The company continues to be profitable and to promote the business of the ultimate parent undertaking, The Victoria Mutual Building Society. No change is expected in the foreseeable future. The results for the year are set out on page 7.

Principal risks and uncertainties

The company is a wholly owned subsidiary of the Victoria Mutual Building Society. Its only activity is the provision of representative management functions for its parent, and it is wholly dependent on its parent for the financing of these activities.

Risk Management

Exposure to credit, liquidity, and market risks arise in the ordinary course of the entity's business. The Board of Directors has overall responsibility for the establishment and oversight of the entity's risk management framework.

The risk management policies are established and implemented by the parent to identify and analyse the risks faced by the society and its subsidiaries (Group), to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The parent society, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees of the Group understand their roles and obligations.

The Audit Committee of the parent society is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the entity. The Audit Committee is assisted in these functions by Group Internal Audit, which consists of employees of the parent society and contracted external resources. Group Internal Audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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DIRECTOR'S REPORT (CONTINUED)

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £NIL).

Directors

During the year, the following directors held office:

Noel M. Hann
Courtney Campbell
Peter Reid

None of the directors who held office at the end of the year had any interest in the company's or ultimate parent undertaking's shares (2018: NIL).

COVID-19 outbreak

We are mindful that the spread of COVID-19 will have an impact in the markets in which we operate, and as such is very likely to adversely affect our operations in the short-term. We will be working very closely with all of our clients to assist them through this period of uncertainty. VMBS Overseas (UK) has implemented infection control procedures as recommended by local government and health regulations and the health and safety of our employees continues to be a primary concern during this period.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Citroen Wells will, therefore, continue in office.

Strategic Report

The Financial Reporting Council (FRC) Bulletin 2014/4 (April 2014) highlights that a company is entitled to the small companies exemption in relation to the Strategic Report for the financial year if it would be so entitled but for being a member of an ineligible group. As such, the company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year.

By Order of the Board



Courtney Campbell
Director

March 30, 2020

380 Brixton Road
Brixton
SW9 7AW
London

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- 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.

VMBS OVERSEAS (UK) LIMITED
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VMBS OVERSEAS (UK) LTD.**

Opinion

We have audited the financial statements of Victoria Mutual Finance Ltd (the 'company') for the year ended 31 December 2019 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF VMBS OVERSEAS (UK) LTD.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF VMBS OVERSEAS (UK) LTD.

Auditor's responsibilities for the audit of the financial statements

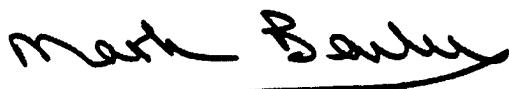
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Mark Bailey FCA CTA (Senior Statutory Auditor)
for and on behalf of Citroen Wells

Chartered Accountants
Statutory Auditor

30 March 2020

Devonshire House
1 Devonshire Street
London
W1W 5DR

VMBS OVERSEAS (UK) LIMITED
Directors' report and financial statements
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INCOME STATEMENT

	<u>Notes</u>	<u>2019</u> £	<u>2018</u> £
Turnover	1(c)	1,104,400	863,489
Administration expenses		<u>(1,093,465)</u>	<u>(854,939)</u>
Profit on ordinary activities before taxation	2	10,935	8,550
Taxation	3	<u>(2,078)</u>	<u>(1,625)</u>
Profit for the year		<u><u>8,857</u></u>	<u><u>6,925</u></u>

The profit on ordinary activities in the current year arises from continued operations of the company.

There is no other comprehensive income for the year other than the profit for the year of £8,857 (2018: £6,925). Therefore, no separate statement of comprehensive income has been presented.

The notes on pages 10 to 16 form an integral part of the financial statements.

VMBS OVERSEAS (UK) LIMITED
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BALANCE SHEET

	<u>Notes</u>	<u>2019</u> £	<u>2018</u> £
Fixed assets			
Tangible fixed assets	4	-	-
Current assets			
Debtors	5	<u>160,323</u>	<u>91,520</u>
Creditors: amounts falling due within one year			
Accruals and deferred revenue	6	70,193	10,700
Taxation payable		<u>2,078</u>	<u>1,625</u>
		<u>72,271</u>	<u>12,325</u>
Net current assets		<u>88,052</u>	<u>79,195</u>
Total assets less current liabilities		<u>88,052</u>	<u>79,195</u>
Net assets		<u>88,052</u>	<u>79,195</u>
Capital and reserves			
Called up share capital	7	100	100
Retained profits	8	<u>87,952</u>	<u>79,095</u>
Shareholders' funds		<u>88,052</u>	<u>79,195</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on March 30, 2020 and signed on its behalf by:



Courtney Campbell
 Director

Company registered number: 04592813

The notes on pages 10 to 16 form an integral part of the financial statements.

VMBS OVERSEAS (UK) LIMITED
Directors' report and financial statements
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STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Retained Profits £	Total Equity £
Balance at 31 December 2017	100	72,170	72,270
Total comprehensive income for the year			
Profit after tax	-	6,925	6,925
Balance at 31 December 2018	100	79,095	79,195
Total comprehensive income for the year			
Profit after tax		8,857	8,857
Balance as at 31 December 2019	100	87,952	88,052

The notes on pages 10 to 16 form an integral part of the financial statements.

VMBS OVERSEAS (UK) LIMITED
Directors' report and financial statements
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NOTES TO THE FINANCIAL STATEMENTS
(forming part of the financial statements)

1. Accounting policies

VMBS Overseas (UK) Ltd. (the "Company") is a private company limited by shares and incorporated, domiciled and registered in England in the United Kingdom. The registered number is 04592813 and the registered address is 380 Brixton Road, London SW9 7AW.

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the Company's financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in financial statements are rounded to the nearest £.

(a) Basis of preparation

These financial statements are for the individual entity were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosure

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries of the Group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

(b) Going concern

The preparation of the financial statements in accordance with IFRS assumes that the company will continue in operational existence for the foreseeable future. This means, in part, that the income statement and the balance sheet assume no intention or necessity to liquidate or curtail the scale of operations. This is commonly referred to as the going concern basis. The management believes that the going concern basis continues to be appropriate in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(forming part of the financial statements)

1. Accounting policies (continued)

(c) Turnover

Turnover represents management fees charged to the ultimate parent undertaking (note 11) at a mark-up of 1% (2018: 1%) on costs incurred. The Company has only one line of business and one geographic market. It is the representative office of its parent company in the United Kingdom.

(d) Taxation

The charge for taxation is based on the profit for the year, as adjusted for tax purposes.

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(e) Non-derivative financial instruments

Non-derivative financial instruments comprise debtors.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(f) Tangible fixed assets

Items of tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses, if any.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(forming part of the financial statements)

1. Accounting policies (continued)

(g) Depreciation

Depreciation is provided on fixed assets to write off the cost, less any estimated residual value of the assets, by equal instalments over their estimated useful economic lives, as follows:

Furniture and fittings	-	20% per annum
Computer and equipment	-	20% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

2. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	<u>2019</u>	<u>2018</u>
	£	£
Audit of financial statements of the company by statutory auditor	6,225	4,600
Audit of group financial statements by parent auditor	3,150	-
Non-audit fees payable to the statutory auditor	-	2,100

Other than staff costs which are detailed in note 9, there are no other material charges.

VMBS OVERSEAS (UK) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(forming part of the financial statements)

3. Taxation

Recognised in the profit and loss account

	<u>2019</u>	<u>2018</u>
	£	£
<i>Current tax</i>		
Current tax on income for the period	<u>2,078</u>	<u>1,625</u>
Total tax charge	<u>2,078</u>	<u>1,625</u>

Reconciliation of effective tax rate:

	<u>2019</u>	<u>2018</u>
	£	£
Profit on ordinary activities before taxation	<u>10,935</u>	<u>8,550</u>
Tax using the UK corporate tax rate of 19% (2018: 19%)	<u>2,078</u>	<u>1,625</u>
Tax expense	<u>2,078</u>	<u>1,625</u>

At the year-end, there were no unutilised tax losses (2018: £NIL).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(forming part of the financial statements)

4. Tangible fixed assets

	<u>Furniture and fittings</u> £	<u>Computer and equipment</u> £	<u>Total</u> £
Cost			
Balance at 1 January 2017, 2018, 2019	13,562	5,013	18,575
Depreciation			
Balance at 31 December 2017	13,562	5,013	17,506
Charge for the year	-	-	<u>1,069</u>
Balance at December 31, 2018	13,562	5,013	18,575
Charge for the year	-	-	-
Balance at December 31, 2019	13,562	5,013	18,575
Net book values			
As at 31 December 2019	-	-	-
As at 31 December 2018	-	-	-

5. Debtors

	<u>2019</u> £	<u>2018</u> £
Amount owed by ultimate parent undertaking	<u>160,323</u>	<u>91,520</u>
The amount is interest free and is repayable on demand.		

6. Accruals and deferred revenue

	<u>2019</u> £	<u>2018</u> £
Accruals	14,470	10,700
Deferred revenue	<u>55,723</u>	-
	<u>23,100</u>	<u>10,700</u>

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7. Called up share capital

	<u>2019</u>	<u>2018</u>
	£	£
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. Retained profits

	<u>2019</u>	<u>2018</u>
	£	£
At beginning of the year	79,095	72,170
Profit for the year	<u>8,857</u>	<u>6,925</u>
At end of year	<u>87,952</u>	<u>79,095</u>

9. Staff numbers and cost

The average number of persons employed by the Company during the period was 15 (2018: 17).
The aggregate payroll cost of these persons was as follows:

	<u>2019</u>	<u>2018</u>
	£	£
Wages and salaries	496,429	435,303
Social security cost	43,597	33,393
Pension costs	<u>10,467</u>	<u>6,056</u>
	<u>550,493</u>	<u>468,696</u>

10. Directors' emoluments

Fees paid in the year to directors who are not executive Directors of the ultimate parent undertaking, amounted to £NIL (2018: £NIL). The other Directors are employed by another group company and their services to this Company are considered to be incidental to other services provided to other Group companies and as such, the emoluments would be inconsequential.

VMBS OVERSEAS (UK) LIMITED
Directors' report and financial statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
(forming part of the financial statements)

11. Immediate and ultimate parent undertaking

The Company's immediate and ultimate parent undertaking is The Victoria Mutual Building Society, registered in Jamaica at 73 - 75 Half Way Tree Road, Kingston 10. The financial statements of The Victoria Mutual Building Society are the only financial statements in which VMBS Overseas (UK) Ltd.'s results are consolidated. Copies of the financial statements of the ultimate parent undertaking can be obtained from a fellow subsidiary company, Victoria Mutual Finance Ltd., 380 Brixton Road, Brixton, SW9 7AW, London.

12. Subsequent Event

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices.

The UK government has announced a large range of initiatives, covering employee retention to lending programmes, to support businesses which could mitigate the short-term effects of the projected financial and economic downturn.. The company is actively assessing all of these initiatives, as details become available.

Our parent Society has confirmed that it will continue to support the company to allow it to meet its obligations. As a result, the Directors continue to believe that our going concern assessment is still valid.

However, the scale and duration of this pandemic for both the company and its clients remains uncertain but ultimately may impact earnings, cash flow and financial condition.