

DBS Vickers Securities (UK) Limited

Annual Report and Financial Statements for the year  
ended 31 December 2020

Registered number 2219032



## **Contents**

Strategic report for the year ended 31 December 2020.....	3
Directors' report for the year ended 31 December 2020.....	6
Independent auditors' report to the members of DBS Vickers Securities (UK) Limited.....	8
Statement of comprehensive income for the year ended 31 December 2020.....	11
Statement of changes in equity for the year ended 31 December 2020.....	11
Statement of financial position as at 31 December 2020.....	12
Notes to the financial statements for the year ended 31 December 2020.....	13

# DBS Vickers Securities (UK) Limited

## Strategic report for the year ended 31 December 2020

The directors present below their strategic report on DBS Vickers Securities (UK) Limited (the “company”) for the year ended 31 December 2020.

### Review of business, principal activities and future developments

The company’s principal activity is to provide support to related parties for their operations in the United Kingdom, including liaising with customers primarily from the United Kingdom and Europe wishing to invest in Asian markets or wealth management products. The company is regulated by the Financial Conduct Authority. The company’s income is derived principally from service charges rendered to related parties.

In January 2020, the company embarked on a feasibility study to evaluate the strategic merits of operating as part of DBS Bank Ltd, London Branch (“DBS London”), a parent company. This operating model is expected to strengthen the company’s business prospects and financial position. DBS London has submitted its application for a variation in permissions and provided that regulatory and other approvals are duly received, the company would transfer its underlying business, assets and liabilities to DBS London. As such, a material uncertainty relating to going concern exists as there is significant doubt the company will continue to operate as a distinct legal entity.

The company’s Statement of comprehensive income for the year ended 31 December 2020, Statement of changes in equity for the year ended 31 December 2020 and Statement of financial position as at 31 December 2020 are as stated on pages 11 and 12 of the Annual Report and Financial Statements. The company had total assets of £3,470,298 (2019: £3,435,333) and total liabilities of £349,712 (2019: £478,830) as at 31 December 2020. Net profit decreased compared to prior year due mainly to lower service charge income received from related companies.

### Section 172 statement

DBS Group Holdings Ltd (“DBSH”) and its subsidiaries (“the Group”), including the company, adopts a governance framework anchored on competent leadership, effective internal controls, a strong risk culture and accountability to stakeholders. The DBS Code of Conduct sets out the principles and standards of behaviour that are expected of employees of the Group (including part-time and temporary employees) when dealing with customers, business associates, regulators and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, conflicts of interests, fair dealings with customers and whistle-blowing. It also defines the procedures for employees of DBS to report incidents and provides protection for those staff for these disclosures.

The Group’s business model seeks to create value for stakeholders in a sustainable way. A balanced scorecard approach is used to measure the Group’s success in serving stakeholders and execution of long-term strategy. The scorecard, which is based on the Group’s strategy and cascaded to the company, is used to set objectives, drive behaviours, measure performance and determine employees’ remuneration.

The directors consider the company’s key stakeholders to be those who most materially impact the company’s strategy or are directly impacted by it. They comprise the Group and its shareholders, customers, employees, society, regulators and policy makers. The company regularly engages with stakeholders, for example, through regular interactions with customers and an annual employee survey, to gain an understanding of the matters they are most concerned with. These matters help define the company’s strategic priorities and guide initiatives.

# DBS Vickers Securities (UK) Limited

## Strategic report for the year ended 31 December 2020 (continued)

More details of how the Group develops and uses its resources (including those of the company) to maximise value for its stakeholders in the long run and its material matters are set out in the Group's Annual Report 2020.

### Principal risks, uncertainties and financial risk management

The Group has established risk committees which evaluate and manage Group risk. Details of the Group are described in note 14 of the Annual Report and Financial Statements. The company has adopted appropriate procedures in accordance with Group policies.

The principal risks and uncertainties facing the company are broadly defined as follows:

#### Risk management framework

The Group has established a financial management and operational framework designed to protect the Group's assets, and the company has accordingly adopted appropriate procedures whose aim is to monitor the management of risk and, for example, to limit undue third-party credit and other exposures. In addition, the company is regulated by the Financial Conduct Authority, and failure to comply with the necessary standards could compromise the company's ability to operate. There were no instances of non-compliance with laws and regulations during the year.

#### Financial risks

Financial risks are broadly defined as follows:

- **Market risks**

The company holds no proprietary market or trading positions and only limited foreign exchange and interest rate positions. No material payments or receipts are made, or balances held, denominated in currencies other than sterling. Accordingly, market risk is considered immaterial.

- **Credit risks**

The company's main financial exposure is to the Group and credit risk is therefore limited.

- **Liquidity risks**

The company holds cash balances significantly in excess of short-term liabilities and therefore liquidity risk is considered minimal.

- **Other risks**

The company is reliant on clients wishing to use the Group's services, in order to trade in securities in the markets in which the Group operates. Use of the company's services by clients is considered to be dependent on a number of factors including investor confidence, market sentiment and other financial and performance criteria.

#### Uncertainties due to Covid-19 outbreak

Since the last financial year, the Covid-19 virus outbreak has continued to cause widespread disruption to financial markets and business activities across the world, including the UK. The company has activated business continuity plans, with employees working from home or from split sites. In addition, regular notices are sent to remind all employees to remain vigilant, adopt good personal hygiene and be aware of their surroundings.

The outbreak did not have a significant impact on the company's financials and liquidity during the year.

## **DBS Vickers Securities (UK) Limited**

### **Strategic report for the year ended 31 December 2020 (continued)**

#### **Key performance indicators (“KPIs”), other than the financial information provided above**

The directors believe that disclosure of KPIs is unnecessary as, although the company provides support for the operations of both (i) a related company and (ii) a parent company in Singapore, the company does not undertake any trading activities.

On behalf of the Board

Bulbul Barrett  
Director

9 April 2021

*B. Barrett*

# DBS Vickers Securities (UK) Limited

## Directors' report for the year ended 31 December 2020

The directors present below their report and the audited Annual Report and Financial Statements of the company for the year ended 31 December 2020.

### Company registration number

The company's registration number is: 2219032.

### Future developments

The company's future plans, including any changes in its business activities are as described in the strategic report for the year.

### Financial risk management

As included in the strategic report on the company, the Group has established risk committees which evaluate and manage Group risk. They protect the Group from exposure to events that may hinder the achievement of its performance objectives. The company has adopted appropriate procedures in accordance with Group policies.

### Results and dividends

The results for the year are set out in the profit and loss account. The profit for the financial year of £164,083 (2019: £196,331) has been transferred to reserves. No dividend was recommended during the year (2019: £nil).

### Directors

The directors of the company at the date of this report and who served during the year were as follows:

Lionel Lim (Chairman)  
Bulbul Barrett  
Kenneth Tang  
Rudiger Von Wedel

### Post balance sheet events

There are no material adjusting or non-adjusting post balance sheet events.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). The company has taken advantage of the exemption under paragraph 1.12(b) from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent company, DBSH, includes the company's cash flows in its consolidated financial statements.

Under company law, 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.

# DBS Vickers Securities (UK) Limited

## Directors' report for the year ended 31 December 2020 (continued)

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping a 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.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

Bulbul Barrett

**Director**

9 April 2021

*B. Barrett*

Registered office:  
One London Wall  
London EC2Y 5EA

# **DBS Vickers Securities (UK) Limited**

## **Independent auditors' report to the members of DBS Vickers Securities (UK) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, DBS Vickers Securities (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2020; statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. Part of the company's parent's operations, DBS Bank Ltd, London Branch ("DBS London"), has submitted an application for a variation in its permissions in anticipation of the potential transfer of the company's underlying business, assets and liabilities to DBS London. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



## **DBS Vickers Securities (UK) Limited**

### **Independent auditors' report to the members of DBS Vickers Securities (UK) Limited (continued)**

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### ***Strategic Report and Directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

##### ***Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **DBS Vickers Securities (UK) Limited**

### **Independent auditors' report to the members of DBS Vickers Securities (UK) Limited (continued)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential for manual journal entries being recorded in order to manipulate financial performance. Audit procedures performed included:

- Discussions with management in relation to known or suspected instances of non-compliance with laws and regulations and fraud; and
- Identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Daniel Pearce (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
9 April 2021

## DBS Vickers Securities (UK) Limited

### Statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £	2019 £
<b>Revenue</b>		<b>2,178,158</b>	2,677,793
Administrative expenses		(1,973,325)	(2,434,358)
Finance income	2	2,358	9,379
<b>Profit before taxation</b>	3	<b>207,191</b>	252,814
Tax on profit	4	(43,108)	(56,483)
<b>Profit for the year</b>		<b>164,083</b>	196,331

The results for both financial years are derived entirely from continuing operations.

### Statement of changes in equity for the year ended 31 December 2020

	Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2019	50,000	2,710,172	2,760,172
Profit for the financial year	-	196,331	196,331
Capital contribution during the year from the company's parent company	36,623	-	36,623
Capital distribution during the year to the company's parent company	(36,623)	-	(36,623)
At 31 December 2019	<b>50,000</b>	<b>2,906,503</b>	<b>2,956,503</b>
Profit for the financial year	-	164,083	164,083
Capital contribution during the year from the company's parent company	40,099	-	40,099
Capital distribution during the year to the company's parent company	(40,099)	-	(40,099)
As 31 December 2020	<b>50,000</b>	<b>3,070,586</b>	<b>3,120,586</b>

The capital contribution and distribution during the year relate to the capital contribution from, and capital distribution to, DBS Group Holdings Ltd ("DBSH"), the company's ultimate parent undertaking and controlling party, in connection with share-based compensation under the DBSH Share Plan ("the Plan") (see note 6).

## DBS Vickers Securities (UK) Limited

### Statement of financial position as at 31 December 2020

		2020	2020	2019	2019
		£	£	£	£
	Note				
<b>Fixed assets</b>					
Property, plant and equipment	7		1,606		4,438
			<u>1,606</u>		<u>4,438</u>
<b>Current assets</b>					
Trade and other receivables	8	476,057		399,206	
Deferred tax asset	9	10,563		10,161	
Cash at bank and in hand	10	2,982,072		3,021,528	
		<u>3,468,692</u>		<u>3,430,895</u>	
Creditors – amounts falling due within one year	11	<u>349,712</u>		<u>478,830</u>	
<b>Net current assets</b>			<b>3,118,980</b>		<b>2,952,065</b>
<b>Total assets less current liabilities</b>			<u><b>3,120,586</b></u>		<u><b>2,956,503</b></u>
<b>Equity</b>					
Called up share capital	12		50,000		50,000
Profit and loss account	13		3,070,586		2,906,503
<b>Total equity</b>			<u><b>3,120,586</b></u>		<u><b>2,956,503</b></u>

The financial statements on pages 11 to 24 were approved by the Board of Directors on 9 April 2021 and signed on its behalf by:

Bulbul Barrett  
Director

*B. Barrett*

Registered number 2219032

# DBS Vickers Securities (UK) Limited

## Notes to the financial statements for the year ended 31 December 2020

### 1 Accounting policies

#### Legal form and registered address

The company is a private company limited by shares, incorporated in England and Wales within United Kingdom. Its registered address and principal place of business is: One London Wall, London EC2Y 5EA.

#### Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

In January 2020, the company embarked on a feasibility study to evaluate the strategic merits of operating as part of DBS Bank Ltd, London Branch ("DBS London"), a parent company. This operating model is expected to strengthen the company's business prospects and financial position. DBS London has submitted its application for a variation in permissions and provided that regulatory and other approvals are duly received, the company would transfer its underlying business, assets and liabilities to DBS London. As such, a material uncertainty relating to going concern exists as there is significant doubt the company will continue to operate as a distinct legal entity.

As a wholly-owned subsidiary, the company is included in the consolidated financial statements of DBSH which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 102 (paragraphs 1.11 and 1.12). Copies of DBSH consolidated financial statements can be obtained from the Company Secretary, as described in note 14, or online at <http://www.dbs.com/annualreports>.

The principal accounting policies, which have been consistently applied, are set out below.

The preparation of financial statements requires management to exercise judgement, use estimates and make assumptions in the application of policies and in reporting the amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates. There were no critical accounting estimates or assumptions used, or areas involving a higher degree of judgement and complexity, that are significant to the financial statements.

#### Revenue

Revenue comprises service charge income, chargeable to and due from related companies in Singapore, and is recognised on an accrual basis.

#### Finance income

Finance income comprises interest receivable and is recorded in the income statement using the effective interest rate method.

# DBS Vickers Securities (UK) Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### **Taxation**

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior periods. Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which a applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less, tax.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Calculations of current and deferred tax have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the period in which a reassessment of the liability is made.

#### **Pension costs**

The company has made arrangements with an approved provider to provide pensions for its employees. Under the scheme, contributions are made by the company and there is an option for employees to make additional contributions, which are matched by the company. The expenditure is charged to the income statement in the period to which it relates.

#### **Share-based compensation**

Equity share-based compensation expenses, which are measured at their fair values at grant date, are amortised and recognised in the profit and loss account over the relevant vesting period. Non-market vesting conditions are taken into account in determining the number of shares to be granted on vesting dates. The impact of subsequent revision of original estimates, if any, is recognised in the income statement and balance sheet.

#### **Property, plant and equipment and depreciation**

Property, plant and equipment is recorded at cost less any accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

# DBS Vickers Securities (UK) Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 1 Accounting policies (continued)

#### Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write down the cost of fixed assets to their estimated residual values on a straight-line basis over the period of their estimated useful economic lives as follows:

Leasehold improvements	Shorter of lease term or 5 years
Office equipment and computers	3 to 5 years
Office furniture	5 years

#### Trade and other receivables and creditors

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Trade and other receivables and creditors are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

### 2 Finance income

	2020	2019
	£	£
Interest income from cash at bank	3,683	11,487
Other net interest	(1,325)	(2,108)
	<u>2,358</u>	<u>9,379</u>

### 3 Profit before taxation

#### a) Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of property, plant and equipment	2,832	19,104
Audit fees payable to the company's auditor		
Audit services:		
- Audit of the company's accounts	19,800	29,800
- Other assurance services	7,500	7,500
Non-audit services:		
- Tax compliance services	10,995	9,600

#### b) Employee costs

The average monthly number of persons (including executive directors) employed by the company on a full-time basis during the year was 9 (2019: 12). There are no material differences between the principal activities of employees.

## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 3 Profit before taxation (continued)

##### b) Employee costs (continued)

Employee costs (including directors) comprise the following:

	2020 £	2019 £
Wages and salaries	981,488	1,333,582
Social security costs	152,500	185,469
Other pensions costs (note 5)	53,875	73,208
Share-based payments (note 6)	40,099	36,623
Other staff costs*	169,058	69,904
	<u>1,397,020</u>	<u>1,698,786</u>

\* Other staff costs include relocation allowances, medical insurance and training expenses.

##### c) Directors' emoluments

	2020 £	2019 £
Aggregate emoluments	141,911	231,780
Company contributions paid to pension schemes	-	6,326
	<u>141,911</u>	<u>238,106</u>

No directors of the company were entitled to shares under a long-term incentive scheme (2019: none).

The emoluments of the Chairman of the company are paid by a fellow subsidiary within the wider DBS Group which makes no recharge to the company. The Chairman is not employed by the company and his services to this company form part of his services provided to the wider Group. It is therefore not possible to make an accurate apportionment of his emoluments in respect of the company. Accordingly, the above details include no emoluments in respect of the Chairman. The amounts in respect of the highest paid director are as follows:

	2020 £	2019 £
Aggregate emoluments	141,911	190,413
Company contributions paid to pension schemes	-	6,326
	<u>141,911</u>	<u>196,739</u>



## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 4 Tax on profit

##### a) Analysis of the charge for the year

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the year	43,842	56,533
Adjustment in respect of prior periods	(332)	36
<b>Total current tax</b>	<b>43,510</b>	<b>56,569</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(402)	(86)
<b>Total deferred tax (note 9)</b>	<b>(402)</b>	<b>(86)</b>
<b>Tax on profit</b>	<b>43,108</b>	<b>56,483</b>

##### b) Factors affecting tax charge for the year

	2020	2019
	£	£
Profit before taxation	207,191	252,814
Profit before taxation multiplied by standard rate of corporation tax in the United Kingdom of 19.0% (2019: 19.0%)	39,366	48,035
Effect of:		
Expenses not deductible for tax purposes	1,748	5,403
Adjustment from previous periods	(332)	36
Deferred tax adjustment in respect of rate changes and other timing differences	-	10
Share options	3,521	2,999
Tax rate changes	(1,195)	-
<b>Tax on profit</b>	<b>43,108</b>	<b>56,483</b>
<b>Effective tax rate</b>	<b>20.8%</b>	<b>22.3%</b>

# **DBS Vickers Securities (UK) Limited**

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **4 Tax on profit (continued)**

#### **c) Factors affecting current and future tax charges**

The applicable United Kingdom corporation tax rate is 19%. This rate became effective from 1 April 2017.

Deferred tax has therefore been provided at 19%. Deferred tax asset has arisen as a result of fixed asset and other timing differences.

### **5 Pension costs**

The company has made arrangements with an approved provider to provide pensions for its employees. Under the scheme contributions are made by the company and there is an option for employees to make additional contributions, which are matched by the company. The expenditure is charged to the income statement in the period to which it relates.

The cost of employer contributions payable under the scheme amounted to £53,875 (2019: £73,208).

An amount of £nil (2019: £nil) was accrued as at the year-end in respect of contributions payable under the scheme to the pension provider.

### **6 Share-based compensation**

Employee benefits include deferred share incentives, under the DBSH Share Plan (the "Plan"), managed and administered by DBSH.

Under the Plan, awards over DBSH ordinary shares (the "shares") may be granted to Group executives who hold such rank as may be determined by the Compensation and Management Development Committee ("CMDC") of DBSH from time to time. Such share incentives are performance and time-based.

Where time-based awards are granted, participants are awarded ordinary shares of DBSH or, at the CMDC's discretion, their equivalent cash value or a combination of both as part of their deferred bonus, at the end of the prescribed vesting periods. Awards are granted under the Plan at the absolute discretion of the CMDC and in accordance with the requirements of the rules of the Financial Conduct Authority. Dividends on unvested shares do not accrue to employees.

A time-based award comprises two elements, namely, the main award and a retention award. The retention award is an additional award amounting to a further twenty percent of the shares comprised in the main award.

## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 6 Share-based compensation (continued)

Thirty-three percent of the shares comprised in the main award will vest two years after the date of grant. A further thirty-three percent of the shares comprised in the main award will vest three years after the date of grant and the remaining thirty-four percent of the shares comprised in the main award, together with the shares comprised in the retention award, will vest four years after the date of grant. For such time-based awards, the fair value of the shares awarded are computed based on the market price of the DBSH ordinary shares at the time of the award and is amortised through the profit and loss account over the vesting period. At each balance sheet date, the Group revises its estimates of the number of shares expected to vest based on non-market vesting conditions and the corresponding adjustments are made to the profit and loss account.

The following table sets out the movements of time-based awards granted in the current and previous financial years pursuant to the Plan and their fair values at grant date:

	2020 Number of shares	2019 Number of shares
	<hr/>	<hr/>
Opening balance	5,121	2,296
Number of shares granted during the year	-	3,687
Number of shares vested during the year	(1,707)	(862)
Closing balance	<hr/> <b>3,414</b> <hr/>	<hr/> <b>5,121</b> <hr/>

The weighted average fair value per share at grant date in prior year was SGD 21.42.

Since inception of the Plan, no awards have been cash-settled under the Plan.

The cost pursuant to the DBSH Share Plan amounts to £40,099 (2019: £36,623).

## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 7 Property, plant and equipment

	Leasehold improvements	Office equipment and computers	Office furniture	Total
	£	£	£	£
<b>Cost</b>				
At 31 December 2019	206,716	134,891	645	342,252
Additions during the year	-	-	-	-
<b>At 31 December 2020</b>	<b>206,716</b>	<b>134,891</b>	<b>645</b>	<b>342,252</b>
<b>Accumulated depreciation</b>				
At 31 December 2019	206,716	130,453	645	337,814
Charge for the year	-	2,832	-	2,832
<b>At 31 December 2020</b>	<b>206,716</b>	<b>133,285</b>	<b>645</b>	<b>340,646</b>
<b>Net book amount</b>				
At 31 December 2020	-	1,606	-	1,606
At 31 December 2019	-	4,438	-	4,438

#### 8 Trade and other receivables

	2020	2019
	£	£
Amounts owed by group undertakings	433,465	360,113
Trade receivables	30,297	17,590
Prepayments	12,295	21,503
	<b>476,057</b>	<b>399,206</b>

Amounts owed by group undertakings are non-trading, unsecured, interest-free and repayable within 60 or 90 days from the date of invoices.

## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 9 Deferred tax asset

	2020	2019
	£	£
Accelerated capital allowances due beyond 12 months	9,059	4,258
Other timing differences recoverable within 12 months	1,504	5,903
<b>Total deferred tax</b>	<b>10,563</b>	<b>10,161</b>
	2020	2019
	£	£
Opening deferred tax balance	10,161	10,075
Movement during the year	402	86
<b>Closing deferred tax balance</b>	<b>10,563</b>	<b>10,161</b>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise any deferred tax asset, and therefore the asset is recognised in the financial statements.

Deferred tax balances relate to timing differences in respect of fixed assets and short-term timing differences in respect of pension accruals and share options.

Deferred tax has been provided at 19% (2019: 17%).

#### 10 Cash at bank and in hand

	2020	2019
	£	£
Cash at bank with a group undertaking	1,894,269	1,781,600
Cash at bank with a third party	1,087,803	1,239,928
<b>Total cash at bank</b>	<b>2,982,072</b>	<b>3,021,528</b>

## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 11 Creditors – amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	-	171,216
Taxation and social security	72,312	85,839
Accruals and deferred income	277,400	221,775
	<u>349,712</u>	<u>478,830</u>

Amounts owed to group undertakings are non-trading, unsecured, interest-free and repayable within 30 or 60 days from the date of invoices.

#### 12 Called up share capital

	2020 £	2019 £
<b>Authorised</b>		
100,000 (2019: 100,000) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, issued and fully paid</b>		
50,000 (2019: 50,000) ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

The company is a private company limited by shares, and accordingly no shares of the company may be offered to the public (whether for cash or otherwise).

#### 13 Profit and loss account

	2020 £	2019 £
1 January	2,906,503	2,710,172
Retained profit	164,083	196,331
31 December	<u>3,070,586</u>	<u>2,906,503</u>

# DBS Vickers Securities (UK) Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 14 Ultimate parent undertaking and controlling party

The company's immediate parent company is DBS Vickers Securities Holdings Pte Limited which is the smallest group to consolidate these financial statements.

The ultimate parent undertaking and controlling party is DBSH which is the parent undertaking of the largest group to consolidate these financial statements. Both companies are incorporated in Singapore. Copies of DBSH consolidated financial statements can be obtained from the Company Secretary, 12 Marina Boulevard, DBS Asia Central, Marina Bay Financial Centre, Tower 3, Singapore 018982.

### 15 Related party transactions

The company's immediate parent company is DBS Vickers Securities Holdings Pte Limited with registered office at 12 Marina Boulevard, DBS Asia Central, Marina Bay Financial Centre, Tower 3, Singapore 018982.

The ultimate holding undertaking, ultimate controlling party, and the parent of the largest group into which the company is consolidated is DBSH which is incorporated and registered in Singapore. The registered office is 12 Marina Boulevard, DBS Asia Central, Marina Bay Financial Centre, Tower 3, Singapore 018982.

The company has no subsidiaries.

In addition to the parent companies listed above, the company had related party transactions with the following members of the Group during 2020:

DBS Vickers Securities (Singapore) Pte Limited (fellow subsidiary)  
DBS Vickers (Hong Kong) Limited (fellow subsidiary)  
DBS Bank Ltd (parent)

The transactions are detailed below:

#### 31 December 2020

	Income	Expenses	Amount owed by related parties	Amounts owed to related parties
	£	£	£	£
Fellow subsidiaries	942,096	43,681	171,277	-
<b>Total</b>	<b>942,096</b>	<b>43,681</b>	<b>171,277</b>	<b>-</b>

## DBS Vickers Securities (UK) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 15 Related party transactions (continued)

31 December 2019

	Income	Expenses	Amount owed by related parties	Amounts owed to related parties
	£	£	£	£
Fellow subsidiaries	844,790	43,351	237,061	-
<b>Total</b>	<b>844,790</b>	<b>43,351</b>	<b>237,061</b>	<b>-</b>

Transactions and balances with DBS Bank Ltd are not included in the above as these are exempt under the Financial Reporting Standard 102 (paragraph 33.1A).

Besides the remuneration disclosed within Note 2c Directors Emoluments, the company did not have any additional transactions with directors of the company or with directors of other related entities within the Group.

#### 16 Post balance sheet events

There are no material adjusting or non-adjusting post balance sheet events.