



Annual Members' Review

31 December 2020

Incorporating the Financial Statements

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01

Society Information

Directors:

Andy Golding (Chairman and Chief Executive Officer)
Clive Kornitzer
John Paddick
April Talintyre

Society Secretary:

Jason Elphick

Registered Office:

Reliance House
Sun Pier, Chatham
ME4 4ET

Auditor:

Deloitte LLP, Statutory Auditor
1 New Street Square
London
EC4A 3HQ

Registered Number:

31056R

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Introduction

The Directors have pleasure in presenting the summary Report and Financial Statements for the year ended 31 December 2020. These Financial Statements are an extract of the audited accounts and the Directors' Report which will be available to Members free of charge on demand from the Kent Reliance Provident Society Limited's (the Society) Registered Office from 23 June 2021 (and on the Society's website, www.krps.com).

The Society is regulated under the Co-operative and Community Benefit Societies Act 2014. The Society is a mutual organisation and operates exclusively for the benefit of its Members.

Andy Golding

Chairman and Chief Executive Officer

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Chairman and Chief Executive Officer's Statement

I am pleased to report on the performance of the Kent Reliance Provident Society Limited (the 'Society') for 2020, together with a brief outline of the performance of OneSavings Bank plc (OSB or the Bank). OSB is the legal entity providing the banking services to the Society's Members and in which the Society retained a shareholding until 27 November 2020. On that date, OSB GROUP PLC ('OSBG') was inserted as the new listed holding company of the Group with the Society's shares in OSB being exchanged for shares in OSBG. The Group comprises OSBG and its subsidiaries.

Following the insertion of OSBG, OSB continues in operation as a banking entity and a 100% owned subsidiary of OSBG. The Society's shareholding in OSB was transferred into a shareholding in OSBG shares. At the point of insertion, the relative shareholding of existing shareholders of OSB shares was the same under OSBG shares. During the year, the value of the Society's shareholding in OSB, and then in OSBG, has decreased in line with OSBG's share price.

OSB continues to enjoy a close working relationship with the Society, utilising dialogue directly with the Society's membership to inform its service and product development by bringing the voice of its customers (the Members) directly into the key operational committees of the Bank.

The Society held a number of member events in 2020 and actively used its online consultation portal, seeking input into a variety of issues to assist the Bank in refining its services.

Members will recall that at last year's Annual General Meeting (the 'AGM'), the Society's Board once again recommended that where revenue is received by the Society, by way of dividends from its shareholding in OSB, and then OSBG, this will be donated to worthwhile causes through the Society's own Community Fund and once more, this proposal was overwhelmingly endorsed by Members. Due to the economic uncertainty caused by the COVID-19 pandemic during 2020, no dividend was received this year. However, the Society intends to continue in the spirit of mutuality and community giving and the Directors will recommend that the any future dividends received, be similarly donated with Members having the opportunity to indicate their preference by voting at the AGM.

The Bank and the Society share a common ancestry going back over 150 years, and continue to share the common interests of their respective customers/Members and the integrity of the trading name of Kent Reliance.

For providing these services and customer insight, OSB continues to underwrite the operational and governance costs of the Society and also to fund the Society's monthly prize draw and community giving programme. The following information gives an overview of the Group and how it performed during 2020.

Overview of OSB GROUP PLC

Extracted from the 2020 Annual Report
& Accounts

Chief Executive Officer's Statement

I am incredibly proud of how the Group responded in 2020 to the unprecedented and sobering events caused by COVID-19.

2020 was an extremely challenging year, with the impact of COVID-19 felt by all businesses, the wider economy and society as a whole. I am incredibly proud of how the Group responded to this unprecedented event and the proven operational and financial resilience of our business. Our track record in generating attractive and sustainable returns continued and we delivered strong financial results amidst the turmoil, whilst ensuring we protected our colleagues, customers and other stakeholders. We achieved this whilst positioning the Group well for further challenges or new opportunities in the future, with a strong balance sheet, prudent underwriting and a tested, resilient business model.

Overview of OSB GROUP PLC

Extracted from the 2020 Annual Report & Accounts

Financial performance

Our financial performance in 2020 was resilient, but clearly impacted by the pandemic and the ensuing deterioration in the outlook for the economy, which led to a significant increase in expected credit losses despite broadly stable arrears. Expected credit losses also included an impairment provision of £20m in relation to potential fraudulent activity by a third party on a secured funding line provided by the Group. However, I am very pleased that we demonstrated our ability to continue to generate strong profit and, on an underlying basis, pre-tax profit was £346.2m, equating to underlying basic earnings per share of 58.1 pence (2019: £381.1m and 64.9 pence respectively). Statutory pre-tax profit was £260.4m and statutory basic earnings per share decreased by 19% to 42.8 pence (2019: £209.1m and 52.6 pence respectively).

Lending through the pandemic

We entered 2020 with a robust pipeline of new mortgages and originated £3.8bn of new business in the year (2019: £4.1bn statutory, £6.5bn pro forma underlying). Application levels in our core businesses were strong prior to COVID-19, but the initial lockdown inevitably impacted application and completion volumes in the second and third quarters, mirroring the overall mortgage market. As restrictions eased in the middle of the year, we chose to increase lending in our core Buy-to-Let and Residential businesses at higher pricing, albeit with reduced maximum loan to values (LTVs) and loan size. We remained vigilant regarding market uncertainty and managed our risk appetite accordingly to maintain strong credit quality. However, I am pleased that new business volumes have now recovered to near pre-COVID levels in these sub-segments, with a strong pipeline of new business.

Net loan book growth was impacted by our sensible, clear decisions to reduce lending in our more cyclical market sub-segments. We continue to control new lending in our commercial, bridging, development finance, funding lines and second charge residential businesses. In addition, we have seen strong early repayments from our residential development finance customers, demonstrating the strength of that proposition.

The Group recognised an impairment provision of £20m in 2020 in relation to potential fraudulent activity by a third party on a funding line of £28.6m provided by the Group, secured against lease receivables and the underlying hard assets. The Group's funding line business is primarily secured against property-related mortgages and the Board believes that this is an isolated incident. The Board has commissioned an external review of processes and controls in relation to the funding lines business and will make enhancements based on recommendations received.

InterBay Asset Finance saw increased levels of new business as we entered the fourth quarter of the year and in October launched products under the Coronavirus Business Interruption Loan Scheme. This enabled us to finance new deals for SME customers who had been affected by COVID-19.

Overview of OSB GROUP PLC

Extracted from the 2020 Annual Report & Accounts

Sophisticated funding model

The Group remained predominantly retail funded in 2020 and our strong savings propositions, through Kent Reliance and Charter Savings Bank, continued to attract increased customer numbers. This allowed us to fund the business at an increasingly favourable cost as base rate cuts were passed on to retail savers in full by the end of the third quarter. The Group had £16.6bn of statutory retail deposits as at 31 December, up 2% on the prior year (2019: £16.3bn). Customer satisfaction, measured through the Net Promoter Score, remained high at +67 and +72 for Kent Reliance and Charter Savings Bank, respectively. I am very pleased that retention rates for savers continued to be exceptionally high, reaching 93% amongst Kent Reliance customers and 77% for Charter Savings Bank. I am also delighted that our savings brands received recognition with Charter Savings Bank awarded Best Bank Savings Provider in the Moneyfacts Awards and Best Savings Provider in the Savings Champion Awards. Kent Reliance won Best Easy Access Savings provider in the Money.net awards. These awards demonstrate our dedication to delivering excellent customer service, supported by the outstanding skills and adaptability of the dedicated people in our operations in India and the UK.

Looking Forward to 2021

After a year of unprecedented uncertainty, it seems there is finally reason for some cautious optimism. Vaccinations are being rolled out at an impressive pace and we hope the country will begin to return to some sense of normality.

There is positive news in the fact that a Brexit deal was agreed, reducing some uncertainty, although there may be further twists and turns as the UK builds its relationships with the EU and other trading partners. However, we remain cognisant of the many businesses, families and individuals currently receiving support from government initiatives and the ongoing uncertainty about the true impact of the pandemic on the economy, our customers and the Group's business when the support ends. We have demonstrated that OSB Group is a strong and resilient business in the face of economic slowdown and uncertainty and that we do not seek growth at the expense of quality. We have continued to generate very attractive returns, despite taking significant impairment charges under COVID-19 forward-looking assumptions. Whilst we continue to control lending in our more cyclical businesses, applications remain strong in our Buy-to-Let and Residential sub-segments, at higher pricing and lower LTVs than pre-COVID and we have a strong pipeline. The Group is well-placed to accelerate lending when the macroeconomic outlook becomes clearer, with a very strong capital position, secured loan book and strong risk management capabilities. Based on our pipeline and current application levels and risk appetite, we currently expect to deliver underlying net loan book growth for 2021 of c. 10%, although we remain cognisant of continued uncertainty in the economic outlook. Based on current pricing and cost of funds, we expect underlying NIM for 2021 to return to 2019 levels. We expect the underlying cost to income ratio to increase marginally in 2021, as the ratio in 2020 benefitted from higher income from gains on structured asset sales and lower discretionary spend in lockdown.

Customers, community and the Society

The Bank and the Society continue to work closely to preserve the values of service excellence, innovation and value that have been a key part of the Kent Reliance history. Whilst the Society no longer delivers the banking operations of the Kent Reliance brand, the Bank has continued to deliver improvements to its products and services, whilst the Society has increasingly focused on its charitable giving.

This commitment to preserving the place of customers within the heart of the Bank is reflected in the measurement of its customer satisfaction, the scores which have continued to improve, with the key performance indicator of Net Promoter Score (broadly a reflection of the number of customers who would definitely recommend the Bank to others) remaining high at +67 for the year (up from +66 in 2019) and reflected in the savings retention rate of 93%.

In addition, I am delighted to report that the Society has continued its monthly free prize draw for qualifying Members, with a further 12 Members receiving a prize of £1,000 each during the year. Details of the rules of the draw can be found on the Society's website (www.krps.com).

To match this prize fund, the Society also donates £1,000 each month to the Kent Reliance Community Fund, which is administered on its behalf by the Kent Community Foundation. In addition, the Society is also a member of the Medway 100 Club, a group of businesses which pool donations into a fund designed to support the many good community causes that operate within the Medway Area. More details of the causes that have benefited from these funds and others that OSB has supported directly appear in the Annual Members' Review which will be distributed to all Members ahead of this year's Annual General Meeting.

COVID-19

As reported last year, in order for OSB to help serve the needs of businesses and households through the extraordinary challenges presented by COVID-19, the OSB Board decided to cancel the payment of the final 2019 dividend in relation to ordinary shares, that was due to be paid on 13 May 2020, and didn't pay an interim dividend in 2020. As a result, the Society received no dividend payments in 2020. OSBG has announced the recommencement of its dividend with a recommended final dividend of 14.5 pence per share which is subject to approval at the OSBG AGM on 27 May 2021.

Despite not receiving any dividend income in 2020, the Society was able to continue distributing funds to worthy causes throughout Kent from its donations to the Kent Community Foundation (based on the dividend received in the prior year) at a time when many causes were suffering badly from the impact of the COVID-19 pandemic. OSB continues to underwrite the operational and governance costs of the Society and fund the Society's monthly prize draw.

Summary

Once again, I am happy to report that the Bank and the Society have continued to grow and deliver against their joint mandates; working in partnership to bring our customer values to life, and through the generosity of Members, providing financial assistance to a wide range of community causes and organisations. Despite regulatory, political and economic uncertainty, and the unique pressures brought about by the pandemic, the Bank has shown itself as resilient and will maintain its focus on delivering its stated strategy and objectives.

Meanwhile the Society will continue its central activity of charitable giving.

Andrew Golding

Chairman and Chief Executive Officer
20 May 2021

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Community Matters

For over 150 years, Kent Reliance has been synonymous with the county of Kent and a passionate supporter of its local community. This passion is equally shared across the OSB Group and most significantly via the charitable activity of the Society.

It has been seven years since we announced that the Society had developed a community fund and committed to donating £1,000 each month to it, together with the dividend received by the Society in respect of its holding of ordinary shares in OSBG.

Due to the economic uncertainty caused by the pandemic during 2020, no dividend was received during the year. However, the monies approved for donation at last year's AGM have allowed the Society via its relationship with the Kent Community Foundation, which provides the administration for the fund to continue with its program of charitable and community giving. The Kent Community Foundation provides the Society with a suggested shortlist of worthy causes and specific requests which is then passed to a panel of Society Members for their decision.

The focus of these donations has been in support of smaller, volunteer-based services assisting young and older people in need.

During 2020, the COVID-19 restrictions prevented the normal panel of Members of the Society meeting to decide which applicants should receive donations from the Community Fund. The Society reviewed all applications submitted and by the end of 2020 had agreed a total of 35 requests totalling £103,200.

The Kent Community Foundation collates applications for community projects and presents to the panel, having undertaken appropriate due diligence. It also follows up each award, with successful applicants required to submit a formal end-of-grant report, with evidence that the grant was spent as intended.

The following is just a sample of the feedback from previously funded projects.

Sheppey Sea Cadets

Purchase of 2 Venture Canoes

£1,277 Grant Awarded

12 Beneficiaries

The aim of the Sea Cadet Corps is to inspire young people by providing the best possible head start in life through nautical adventure and challenges. Sea Cadets attain qualifications in a whole range of skills from waterborne activities, sailing, rowing and paddle sport, to land-based qualifications, first aid and catering.

Case study

In a year, one young cadet aged 13, went through a particularly harrowing experience, which resulted in having to give evidence in court, being diagnosed with type one diabetes and having to go through the heartache of her parents splitting up. The Sea Cadets and in particular, her interest in paddle sport, helped her through some of the darkest moments. The cadet found that being out on the water gave freedom away from the traumatic events that were going on in her personal life. She went on to represent the unit in the district regatta which led her to the district team where she came second in her category. The cadets have a team in the water polo league, of which she is now the captain.

Rising Sun Domestic Abuse Service

Ashford Children's Support Service

£2,500 Grant Awarded

The award was made by the panel in July 2019, to assist with the costs of a program in Ashford to support children affected by domestic abuse.

The grant supported the costs of the support worker's salary who ran sessions for five to 11 year olds who have witnessed and been affected by domestic abuse. Sessions were held weekly and supported 11 children.

The group offered children a place to interact with peers who have been in similar situations allowing them to not only reduce their social isolation and build bonds, but to build their confidence and self-esteem. The sessions included activities and games, which allowed the young people taking part to openly talk about their experiences. All those who attended were able to express themselves and discuss their traumas freely.

The group ran questionnaires at the start and end of the project which showed an improvement in children feeling safer and having a better life experience.

Case study

Comment received from one Mum.

"I could never see how things would get better but Rising Sun helped with so many issues and problems F was experiencing. F is now visiting her Dad one night a week which is a great improvement and the difference is unbelievable. If F had a tough day, she would say 'it's ok I can chat with Rising Sun and they will help'. They have encouraged F to speak out and now I don't know what we would have done without them."

East Kent Strokes

Improving links with the community

£3,500 Grant Awarded

120 Beneficiaries and their families

East Kent Strokes aims to ensure that stroke survivors of all ages and their families and carers feel supported in everyday life. Members also have the opportunity to take part in trips and excursions in the local area and beyond.

£3,500 was awarded to the group to improve vital links to support the community affected by strokes.

The grant supported the cost of the community developer role, who was tasked with running and managing sessions and volunteers in the local area.

Sessions were run on a weekly basis in different areas of East Kent, allowing beneficiaries from each area to come along and gain vital support on issues and discuss their worries. In addition, it also allowed them the chance to make friends, many of whom were facing a similar situation.

Sessions were catered to the needs of the groups, which also included day trips. When the pandemic and lockdowns began in March 2020, these sessions were put on hold and the group spent some time adjusting their services to make it available to those most in need of support. They then began to offer rule of six meetups (when restrictions allowed for the most isolated), supplied mobile phones and items to give members an opportunity to join online sessions if they wanted to. This gave them the opportunity to gain the support but for some, just being able to have a chat with a friendly voice was a great benefit.

Case study

Feedback from beneficiaries:

Richard: "Pleased to have had a chat today with Anna, thank you so much for your help and advice!"

John: "I have just received the new Stroke Watch which is a delight, and I was almost in tears reading it, so many happy memories... well done..."

Rosetta: "We enjoyed our Zoom meeting this morning with everyone and singing the Twelve Days of Christmas."

Abbey Physic Community Garden ('APCG')

Growing for Health Project

£2,500 Awarded

59 Beneficiaries

APCG is an inclusive, accessible community resource in the heart of Faversham. The garden has supported people with mental and physical health issues and complex social challenges for over 25 years.

The grant supported the costs of staff to run sessions for groups of vulnerable adults. The sessions ran on a weekly basis and varied in groups. Support across the period funded 59 beneficiaries.

Vulnerable beneficiaries were able to improve their mental health and well-being and develop new skills and self-confidence. This was done through garden-based activities and music. These sessions varied based on beneficiary group with some sessions supporting bereaved men and others affected by domestic abuse.

When the pandemic begun and lockdowns started, the charity gained an increase in referrals. The team adapted their face-to-face services and allowed larger groups to be run socially distanced so that people could still attend the garden. They ran online socials or distanced walks with other groups. This allowed people to still communicate and experience the therapeutic benefits of the garden and the outdoors, without losing the connections with their friends and support networks.

Case study

One attendee said: "I know it sounds corny, but this place has really saved my life as I was going through a really bad patch of depression and having the garden to come to has made such a difference. I wasn't going out anywhere, I'd stopped working, couldn't sleep, it was really bad. I was made to feel so welcome, no matter how I was feeling and it just made me feel ok. This place and what it offers is amazing. I had one to one conversations with Zeb, who was offering, time to talk, for men. I helped with the re-design of the kids' area which got my brain back into gear and have made some amazing friends. What really helps, for me, is knowing I can come down when I need to and when it suits me. It's open ended and on my door step. I have now started to think about getting back to work, small steps at a time. It's a good feeling to be able to have positive thoughts about the future. Thank you to everyone at the APCG."

The Harmony Therapy Trust

Therapy sessions

£2,500 Awarded

The Harmony Therapy Trust offers therapies such as massage, reflexology and counselling to those suffering from life altering illnesses especially cancer, across Kent.

£2,500 was awarded to support therapy sessions for vulnerable and elderly adults.

The grant contributed towards the costs of a massage and reflexology specialist to complete therapies for people diagnosed with cancer. The sessions were run for 50 beneficiaries across the funded period.

The treatments were offered monthly, over a period of six months. Typically, beneficiaries are referred with initial issues of shock, anxiety and stress. Over the six-month period, the therapies can help them to manage their emotional stress, alongside the more challenging medical treatments of surgery, chemotherapy and radiotherapy.

Patients and medical staff both report that because of the therapies ran by the group, patients are better able to manage the trauma of their diagnosis and medical procedures. At the end of the six-month period, we generally find that people no longer need assistance for anxiety.

Case study

Mr A was referred with symptoms of anger and low mood associated with his terminal prognosis. Following our treatments, his friends and family regularly commented on his cheeriness in the face of his illness. He told everyone that he put his change of mood entirely down to our therapies, such was their impact on him.

Abigail's Footsteps

Counselling and bereavement

£2,500 Awarded

Abigail's Footsteps aims to support families across Kent who face the tragic loss of a stillborn or neonatal death. The charity works to supply counselling services and bereavement services which support the whole family.

£2,500 was awarded to support the costs of bereavement counselling sessions for families across Kent.

The grant supported the cost of 90 private counselling sessions for 30 families. This allowed them to gain vital support in being able to understand and discuss their emotions on the loss in their family.

The sessions began face-to-face but as the pandemic hit, sessions were adapted to online sessions. The online sessions gave not only a vital service to those struggling to cope with loss but allowed them to sit in their own surroundings with home comforts around as they discussed the effects, making sessions easier on those who were uncomfortable or who found it hard to open up about their loss.

The benefits from sessions included providing coping skills and strategies for everyday life, enabling some to return to work and siblings of the child to return to school. It has also helped them to support one another as a family and those in their wider family such as grandparents.

Case study

M and B's daughter was stillborn at 26 weeks and they accessed counselling in Spring 2020. M said: "My partner struggled immensely with the grief and she needed help. Abigail's Footsteps were able to provide her with a specialist baby loss counsellor who would help and support her through her journey. She started the sessions on her own and I later joined her for a couple of sessions. There is hardly any support out there for bereaved parents that specialises in such a loss so finding Abigail's Footsteps was an absolute lifesaver." Since receiving funded counselling M and B have gone on to fundraise for Abigail's Footsteps to help support other bereaved families with counselling. As the charity said: "As a small charity this is truly incredible and wouldn't have been possible without the initial grant through the Kent Reliance Provident Society Community Fund."

05

Directors' Report

Business review

The Society's operating result, derived from an agreement entered into with OSBG to assist the Bank in ensuring its operations and services fairly represent the wishes and desires of Members wherever possible, generated a loss for the year as donations paid out exceeded dividend income as the Society donates dividend income in the following year. The Society made an overall profit during the year as the increase in OSBG's share price led to revaluation profits on its investment in OSBG shares.

The Society assisted the Bank in conducting a number of customer research activities during the year.

The Society also continued with its free monthly prize draw and its charitable giving programme.

Financial results

The Society's operating loss for the year to 31 December 2020 was £174k (2019: £13k operating loss). The revaluation of investment in OSB, and then OSBG, shares resulted in a loss before taxation of £283k (2019: £967k profit). The loss after taxation for the year was £334k (2019: £801k profit).

Assets

The Society's sole investment is its holding of equity in OSBG.

As at 31 December 2020, the Society held (and continues to hold) 1,169,815 Ordinary Shares of £0.01 in OSB (2019: 1,169,815). In line with last year, the Board has decided it is appropriate that the investment be valued in the Society's financial statements at the prevailing market value as at the accounting reference date.

Capital

The Society is not regulated as a financial institution but is registered with the Financial Conduct Authority as the registering authority under the Co-operative and Community Benefit Societies Act 2014. This legislation replaced the former Acts of Parliament that governed Industrial and Provident Societies and under which the Society was originally incorporated.

There are no specific externally set capital requirements. However, the Board is mindful of its financial obligations and has agreed to have sufficient reserves (from retained earnings) to enable an orderly wind-down of its affairs in the event that such action is required.

Creditor Payment Policy

The Society's policy concerning the payment of its trade creditors is to pay within the agreed terms of credit, usually 30 days from invoice, once the supplier has discharged its contractual obligations. These terms of payment were settled with suppliers when agreeing the terms of each transaction.

Going concern

The Directors have undertaken a going concern assessment to satisfy themselves that the Society has sufficient resources to continue in operational existence for a period in excess of 12 months from the date of this Report and have prepared the Financial Statements on this basis.

In assessing whether the going concern basis is appropriate, the Directors considered the information contained in the Financial Statements and the latest business plans for the Society. The assessment also considered projections for the Group, of which OSB is a subsidiary.

The Society interacts with OSB in a number of areas:

- The Society receives reimbursement from OSB to cover its ongoing operating and governance costs for services and activities it undertakes on behalf of the Society's Members.
- The Relationship and Services Agreement dated 31 January 2011 between the Society and OSB details a number of essential corporate support activities which OSB undertakes to provide (e.g. including the maintenance of the membership database).

The Group projections have been subject to sensitivity tests, including stress scenarios, which have been compared to the latest Brexit and COVID-19 pandemic economic scenarios provided by the Group's external economic advisors, as well as reverse stress tests. The COVID-19 assessment focused on capital, liquidity and operational resilience at the Group level to demonstrate the strength of the Group as a Going Concern.

Having reviewed these assessments, the Directors are satisfied that the Society has sufficient resources to continue in operational existence for a period in excess of 12 months from the date of this report.

Charitable donations

During the year, the Society made charitable donations of £178k (2019: £196k).

Directors

The full list of Directors who served on the Board during the year to 31 December 2020 and to the date of this Directors' Report is as follows:

Andy Golding (Chairman and Chief Executive Officer)

Clive Kornitzer

John Paddock

April Talintyre

The Board remains committed to the achievement of high standards of corporate governance, which it considers to be central to the effective management of the Society and to maintaining the confidence of Members.

Indemnity provision

During the year covered by these accounts there were no new or outstanding third parties qualifying indemnity provisions in force.

Events after the reporting date

OSBG has announced the recommencement of its dividend with a recommended final dividend of 14.5 pence per share which is subject to approval at the OSBG AGM on 27 May 2021.

Auditors

The Auditor, Deloitte LLP, has expressed their willingness to continue in office. A resolution to re-appoint Deloitte as external auditor will be presented at the AGM.

Disclosure of information to auditor

Each person who is a Director at the date of approval of this Directors' report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Society's Auditor is unaware; and
- the Director has 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 Society's Auditor is aware of that information.

This report was approved by the Board on 20 May 2021 and signed on its behalf by:

Jason Elphick

Society Secretary
Kent Reliance Provident Society Limited

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The Society currently
only receives **one source**
of income

.....



06

Corporate Governance Report

Introduction

The Board recognises the importance of sound corporate governance and is committed to ensuring best practice is applied throughout the Society in a proportionate manner.

The Board of Directors

The Board was chaired by Andy Golding and constituted four Directors (including the Chairman) at the reporting date. The Chairman and two other Directors are Executives of OSBG; of which the Chairman and one other are also Directors. The remaining Director is an Executive of the Society. The Board meets at appropriate intervals throughout the year and in 2020 met six times; Directors also interact informally on a regular basis in the normal course of business. Additional Board meetings may be called at such other times as the Chair deems appropriate.

The Board is responsible for setting the strategy for the Society and for ensuring that there are appropriate financial and business systems and controls in place to safeguard the interests of the Society's Members. The Board is also responsible for ensuring the Society's continuing commitment to carrying out its business fairly, honestly and openly, in line with its mutual principles.

The Board has oversight of the strategy and retains control through challenge at Board meetings. All Board members receive accurate, timely and clear information to enable them to make an effective contribution to Board discussions. The scope and nature of such information is reviewed on an ongoing basis to ensure that it remains relevant and concise.

Directors have access to the advice and services of the Society Secretary, whose appointment is a matter for the Board and who is responsible for ensuring Board procedures are followed and for advising the Board, through the Chairman, on matters relating to governance.

Board attendance record

A table showing attendance at scheduled meetings is shown below. Against each Director's name is shown the number of meetings they attended in the year to 31 December 2020. The number of meetings each Director was eligible to attend is shown in brackets.

Director	Meeting
Andy Golding	6(6)
Clive Kornitzer	6(6)
John Paddick	6(6)
April Talintyre	6(6)

Board balance and independence

The Board consisted of four Directors as at 31 December 2020. The size and composition of the Board is kept under review to ensure an appropriate balance of skills and experience is represented on the Board.

Appointments to the Board

There were no new appointments to the Board during 2020 and up to the date of signing this Annual Report.

Re-election

Directors are required to submit themselves for re-election at the first Annual General Meeting after their appointment and at least once in every three years thereafter.

System of internal control

The Board is responsible for determining the Society's strategy for managing risk and overseeing its systems of internal control, and is committed to embedding internal control and risk management into the operation of the Society. The Chief Executive Officer and the Chief Operating Officer are responsible for designing, operating and monitoring risk management and internal controls.

The Board is satisfied that during the year, the Society maintained an adequate and appropriate system of internal control.

The role of the Board includes a review of the Society's accounting policies at least annually, a review of the Financial Statements, including any significant financial reporting judgements on which they are based, and monitoring the systems of internal control.

Financial reporting

The Statement of Directors' Responsibilities in preparing the Society's accounts are set out on pages 22 and 23.

07

Directors' Remuneration Report

Introduction

The purpose of this Report is to outline the Board's policy for the remuneration of the Society's Executive team and Non-Executive Directors, and explain the process for setting Directors' remuneration.

Remuneration of the Society's executive management

Currently, the Chief Executive Officer is remunerated solely by OSB, where he holds the same position as Chief Executive Officer. Two other Directors are also remunerated solely by OSB. Their remuneration is determined in accordance with OSBG Board governance procedures, which are laid out in OSBG's latest Annual Report and Accounts, which is available to download from www.osb.co.uk. The Society has only one Executive Director, the Chief Operating Officer, whose terms and conditions fall within the remit of the Society's Board.

The remuneration of the Chief Operating Officer is shown below:

	2020 £'000	2019 £'000
Short-term employee benefits ¹	78	80
Post-employment benefits	7	7
Gains made on the exercise of SAYE options	3	–
	88	87

¹Short-term benefits comprise salary costs and bonus

- Basic salary is determined by levels of responsibility, external market competitiveness and individual performance in the role. The Society's policy is to position salaries so that, on average, they are in line with salary packages for similar positions in comparable institutions, taking account of the fact that no benefits in kind (such as company cars and private medical insurance) are enjoyed by the Society's employee.
- An annual bonus is paid at the discretion of the Board, when determined appropriate, according to success in the delivery of corporate and individual objectives.
- The Chief Operating Officer is an inactive member of the OSB Group pension scheme.
- Standard contractual terms for executive level appointments include notice periods of between 3 and 12 months.
- Participation in the OSBG Save As You Earn scheme (SAYE) or Sharesave Scheme. The Sharesave Scheme allows employees to purchase options by saving a fixed amount of between £5 and £500 per month over a period of either three or five years, at the end of which the options, subject to leaver provisions, are usually exercisable. If not exercised, the amount saved is returned to the employee. The Sharesave Scheme has been in operation since 2014 and an invitation to join the scheme is usually extended annually, with the option price calculated using the mid-market price of an OSB GROUP PLC ordinary share over the three dealing days prior to the Invitation Date and applying a discount of 20%.

Specific remuneration and terms and conditions of employment of Members of the OSBG Executive team are determined annually by the OSBG Board on the basis of recommendations by the OSBG Remuneration Committee. The Committee ensures that OSBG's policy remains appropriate to attract, motivate and retain high calibre Executives with the skills and experience needed to lead a business of this nature and complexity, and develop it for the long-term benefit of Members. Details of the approach of OSBG to its own remuneration policy are set out in the latest Annual Report and Accounts for the Bank, which are available at www.osb.co.uk.

Non-Executive Directors' fees

During the year under review, none of the Non-Executive Directors received any remuneration for their time spent in connection with their role as a director of the Society.

Summary

This report, together with the disclosure in note 3 to the Annual Report and Accounts, is provided to give Members insight into the overall cost of the Society's Directors' remuneration.

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Statement of Directors' Responsibilities

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 Society and of the profit or loss of the Society 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by:

Jason Elphick
Society Secretary
20 May 2021

09

Independent auditor's report to the Members of Kent Reliance Provident Society Limited

In our opinion the Financial Statements of Kent Reliance Provident Society Limited (the 'Society'):

- give a true and fair view of the state of the Society's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

We have audited the Financial Statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Reconciliation of Members' Funds;
- the Statement of Cash Flows; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).



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 Society in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (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

In auditing the Financial Statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Board is responsible for the other information contained within the Annual Report. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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.

Responsibilities of the Board

As explained more fully in the Board's responsibilities Statement, the Board is 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 Board determines 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 Board is responsible for assessing the Society'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 Board either intends to liquidate the Society or to cease operations, or has 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 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the Society's industry and its control environment, and reviewed the Society's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Society operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the Financial Statements. These included Co-operative and Community Benefit Societies Act 2014 and tax legislation; and
- do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Society's ability to operate or to avoid a material penalty. These include prudential regulatory requirements.

We discussed among the audit engagement team, including relevant internal specialists such as tax specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the Financial Statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of Board Meetings and reviewing correspondence with HMRC and the Financial Conduct Authority.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report in respect of the following matters if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or the Society has not kept proper accounting records; or
- the Financial Statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society those matters we are required to state to it 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 Society, for our audit work, for this report, or for the opinions we have formed.

Giles Lang, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP,
London
United Kingdom

20 May 2021



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Financial Statements



Statement of Comprehensive Income

	Notes	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Turnover	2	194	386
Cost of sales	3	(368)	(399)
Gross loss		(174)	(13)
Other (expense)/Income	4	(109)	980
Operating (loss)/Profit		(283)	967
(Loss)/Profit before taxation		(283)	980
Tax on loss/profit	5	(51)	(166)
(Loss)/profit for the financial year		(334)	814

The above results are derived wholly from continuing operations.

There were no recognised gains or losses other than the profit for the year and accordingly no statement of other comprehensive income is given.

The notes on pages 33 to 38 form part of these Financial Statements.

Statement of Financial Position

	Notes	As at 31 Dec 20 £'000	As at 31 Dec 19 £'000
Fixed assets			
Investments	6	4,955	5,070
Current assets			
Loans and advances to credit institutions		302	435
Debtors: Amounts falling due within one year	7	2	25
		304	460
Creditors: Amounts falling due within one year	8	(80)	(68)
Net current assets		224	392
Total assets less current liabilities		5,179	5,462
Creditors: Amounts falling due after more than one year	8	(671)	(620)
Net assets		4,508	4,842
Capital and reserves			
Profit and Loss account		4,508	4,842
Members' Funds		4,508	4,842

The notes on pages 33 to 38 form part of these Financial Statements.

The Financial Statements were approved by the Board of Directors on 20 May 2021 and were signed on its behalf by:

Andrew Golding
Director

April Talintyre
Director

Jason Elphick
Society Secretary

Reconciliation of Members' Funds

	Profit and Loss account £'000	Total Members' funds £'000
At 1 January 2019	4,041	4,041
Profit for the financial year	801	801
At 31 December 2019	4,842	4,842
Loss for the financial year	(334)	(334)
At 31 December 2020	4,508	4,508

Statement of Cash Flows

	2020 £'000	2019 £'000
Cash flows from operating activities		
(Loss)/profit/before taxation	(283)	967
Adjustments for non-cash items:		
Unrealised losses/(gains) on investments	115	(976)
Cash utilised from operations	(168)	(9)
Changes in operating assets and liabilities		
Decrease in net amounts receivable from OSB	39	142
Decrease/(increase) in other debtors	2	(2)
(Decrease)/increase in other creditors	(6)	2
Movement in cash and cash equivalents	(133)	133
Cash and cash equivalents at beginning of year	435	302
Cash and cash equivalents at end of year	302	435
Movement in cash and cash equivalents	(133)	133

1. Accounting policies

The principal accounting policies applied in the preparation of the Financial Statements for the Society are set out below.

a) Society information

Kent Reliance Provident Society Limited is a society registered under Co-operative and Community Benefit Societies Act 2014 in England and Wales and is a public benefit entity. The address of the Society's registered office is disclosed on page 3.

b) Basis of preparation

These Financial Statements have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with the Companies Act 2006. The presentation currency of these Financial Statements is Pounds Sterling. All amounts in the Financial Statements have been rounded to the nearest thousand ('£'000').

The Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of investment in OSBG held at fair value through profit or loss ('FVTPL').

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these Financial Statements.

There were no significant judgements made by the Directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year.

c) Going concern

The Directors have undertaken a going concern assessment to satisfy themselves that the Society has sufficient resources to continue in operational existence for a period in excess of 12 months from the date of this Report and have prepared the Financial Statements on this basis.

In assessing whether the going concern basis is appropriate, the Directors considered the information contained in the Financial Statements and the latest business plans for the Society. The assessment also considered projections for the Group, of which OSB is a subsidiary.

The Society interacts with OSB in a number of areas:

- KRPS receives reimbursement from OSB to cover its ongoing operating and governance costs for services and activities it undertakes on behalf of the Society's Members.
- The Relationship and Services Agreement dated 31 January 2011 between the Society and OSB details a number of essential corporate support activities which OSB undertakes to provide (e.g. including the maintenance of the membership database).

The Group projections have been subject to sensitivity tests, including stress scenarios, which have been compared to the latest Brexit and COVID-19 pandemic economic scenarios provided by the Group's external economic advisors, as well as reverse stress tests. The COVID-19 assessment focused on capital, liquidity and operational resilience at the Group level to demonstrate the strength of the Group as a Going Concern.

Having reviewed these assessments, the Directors are satisfied that the Society has sufficient resources to continue in operational existence for a period in excess of 12 months from the date of this report.

d) Turnover

Turnover includes commission and other dividend income. The Society derives its management income from a management fee charged to OSB. This income is recognised on an accruals basis.

e) Dividend

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

f) Cost of sales

Cost of sales for the Society include all operating and governance costs and are recognised on an accruals basis.

g) OSBG Sharesave Scheme

Following the insertion of OSBG as the new listed holding company of the Group on 27 November 2020, all OSB Sharesave Schemes were rolled over into OSBG Sharesave Schemes on exactly the same terms.

The OSBG Save As You Earn ('SAYE') or Sharesave Scheme is an all-employee scheme which is open to the Society's employee. The Sharesave Scheme allows employees to purchase options by saving a fixed amount of between £5 and £500 per month over either three or five years at the end of which the options, subject to leaver provisions, are usually exercisable. If not exercised, the amount saved is returned to the employee. The Sharesave Scheme has been in operation since 2014 and an invitation to join the scheme is usually extended annually, with the option price calculated using the mid-market price of an OSB GROUP PLC ordinary share over the three dealing days prior to the Invitation Date and applying a discount of 20%. The cost of the Society's employee enrolled in the SAYE scheme is borne by OSB. Further details about the Sharesave Schemes are included in the OSBG Group Annual Report and Accounts.

h) Tax on loss/profit including deferred taxation

The charge for taxation is based on the result for the period and takes into account current and deferred taxation. The tax charge is taken to the profit or loss account, consistent with the items it relates to. Current taxation is the expected taxation charge on the taxable profits for the year. Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amounts of assets or liabilities for accounting purposes and carrying amounts for tax purposes.

i) Financial instruments

The Society only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, such as loans and advances to credit institutions, amounts receivable from and payable to OSB and investments in equity share capital.

i. Amounts receivable from and payable to OSB

Amounts receivable from and payable to OSB are recognised initially at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less any expected credit losses ('ECL'). Amounts receivable from OSB are payable on demand and are assessed for ECL based on an assessment of the probability of default.

ii. Investment in OSBG

The Society's investment in OSBG is originally recognised at transaction price and subsequently measured at fair value through profit or loss.

j) Related parties

The Society has a related party relationship with OSB. Details of the related party transactions can be found in note 10.

2. Turnover

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Management fee	194	208
Dividend income	-	178
	194	386

3. Cost of sales

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Staff costs (see below)	93	99
Fees payable to the auditors for the audit of the Financial Statements	21	16
AGM Costs	63	73
Charitable donations	178	196
Other administrative expenses	13	15
	368	399

Staff numbers and costs

The average number of persons employed by the Society (including the Executive Director) during the year was 1 (2019: 1). Three of the Society's Directors are employees of OSB. These Directors are paid by OSB and receive no additional remuneration from the Society. The aggregate costs of the one person, which are also the remuneration of the highest paid Director, were:

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Salaries and other benefits	75	81
Social security costs	11	11
Other pension costs ¹	7	7
	93	99

¹ Other pension costs relate to contributions to personal pension plans.

4. Other (expense)/income

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Revaluation of investment in OSBG (previously OSB)	(115)	976
Interest on term deposit with OSB	6	4
	(109)	980

5. Tax on loss/profit

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Deferred tax	51	166
	51	166

Factors affecting tax charge for the year

Tax is charged at the weighted average rate of corporation tax for the period of 19% (2019: 19%). The tax reconciliation is presented below:

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
(Loss)/Profit before taxation	(283)	967
(Loss)/profit multiplied by the weighted average rate of corporation taxation in the UK	(54)	184
Non-taxable dividend income	-	(34)
Expenses not deductible for taxation purposes	33	36
Tax adjustments in respect of share-based payments	(1)	-
Deferred tax rate change	73	-
Unrealised losses/(gains) on investment in OSBG	-	(20)
	51	166

Factors that may affect future tax charges

In the March 2020 Budget, it was announced that the cuts in corporation tax rate to 18% and then to 17% previously enacted would not occur with the corporation tax rate held at 19%. As a result, closing deferred tax balances are calculated at 19% with the impact of the increase from 17%/18% to 19% reflected in the period.

On 3 March 2021, the government announced that the corporation tax rate will increase from 19% to 25% from 1 April 2023. This rate change was not substantively enacted at the Statement of Financial Position date and so has not been reflected in these Financial Statements. We estimate that the increase in the tax rate, when enacted, will result in an increase of the deferred tax liability held at 31 December 2020 of c. £212k.

6. Investments

As explained in the Chairman and Chief Executive Officer's Statement; during the year, OSBG was inserted as the new listed holding company of the Group, replacing OSB. The Society's shareholding in OSB was transferred into a shareholding in OSBG shares. At the point of restructure, the relative shareholding of existing shareholders of OSB shares was the same under OSBG shares.

The Society's total shareholding in OSBG as at 31 December 2020 is 1,169,815 shares (2019: 1,169,815 OSB shares) which equates to about 0.26% of OSBG's issued share capital (2019: 0.26% of OSB's issued share capital). The current level of voting rights does not allow the Society to significantly influence business decisions of OSBG. Accordingly, the investment is classified as other long-term investments.

The movements in the investment's value are analysed as follows:

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
At 1 January	5,070	4,094
Fair value change due to share price movements	(115)	976
At 31 December	4,955	5,070

7. Debtors: amounts falling due within one year

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Amount receivable from OSB	-	21
Other debtors	2	4
	2	25

8. Creditors

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Due after more than one year		
Deferred tax (see note 9)	671	620
	671	620
Due within one year		
Accruals	59	64
Amount payable to OSB	18	-
PAYE & NIC	3	3
VAT Output	-	1
	80	68

9. Deferred tax

Deferred tax represents the expected tax liability on the difference between the current market value and original cost of the investment in OSBG at the reporting date.

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
At 1 January	620	454
Tax recognised in the profit or loss account and attributable to:		
- Movements in the value of shares	(22)	166
- Rate change	73	-
At 31 December	671	620

10. Related party transactions

During the year, the Society had the following transactions with its related party, OSB, all of which were at an arm's length basis:

	Year ended 31 Dec 20 £'000	Year ended 31 Dec 19 £'000
Commission and dividend income	194	386

11. Events after the reporting date

OSBG has announced the recommencement of its dividend with a recommended final dividend of 14.5 pence per share which is subject to approval at the OSBG AGM on 27 May 2021.



Kent Reliance Provident Society Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. Registered No: 31056R.
Registered office: Reliance House, Sun Pier, Chatham, Kent, ME4 4ET.

KentReliance
Provident Society