MONEYBARN LIMITED
(Company Number 02766324)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

MONEYBARN LIMITED
(Company Number 02766324)

CONTENTS

MONEYBARN LIMITED
(Company Number 02766324)

DIRECTORS' REPORT

Moneybarn Limited (the 'Company') is a subsidiary of Provident Financial plc. Provident Financial plc is a public limited company, listed on the London Stock Exchange, which, together with its subsidiaries, forms the Provident Financial Group (the 'Group'). The immediate parent of the Company is Moneybarn Group Limited.

The following provisions, which the directors are required to report in the Directors' report, have been included in the Strategic report:

- how the directors have engaged with colleagues, how they have had regard to colleague interests and the effect of that regard, including on the principal decisions taken by the Company in the financial year (page 6); and,
- how the directors have had regard to the need to foster the Company's business relationship with suppliers, customers and others, and the effect of that regard, including on the principal decision taken by the Company in the financial year (pages 4 to 8).

Principal activities
The principal activity of the Company is to provide customer account management services to other companies in the Group, principally Moneybarn No.1 Limited.

Results
The Statement of comprehensive income for the year is set out on page 15. The profit for the year of £1,653,000 (2020: £878,000) has been added to Retained earnings. The Company has net assets of £21,631,000 as at 31 December 2021 (2020: £19,785,000).

Dividends
The directors do not propose the payment of a dividend in respect of the year ended 31 December 2021 (2020: £nil).

Directors
The directors of the Company during the year ended 31 December 2021, all of whom were directors for the whole year then ended and to the date of this report, were:

M J Le May (Chairman)	
S J Bayley	(resigned 1 March 2021)
D V Shrimpton-Davis	
N Kapur	
C G Anderson	(appointed 24 May 2021)

Financial risk management
The financial and capital risk management reports of the Company are set out on pages 24 to 25.

Employee involvement
The Company regularly provides staff and colleagues with business updates, consulting with them regularly so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company and the wider Group is encouraged as achieving a common awareness of the financial and economic factors affecting the Company plays a major role in maintaining its competitive position. The Company encourages the involvement of employees by way of weekly staff updates, monthly performance updates and regular management team briefings. The Company also carries out regular employee engagement surveys.

DIRECTORS' REPORT (CONTINUED)

Equal opportunities

The Company is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of gender, pregnancy, race, colour, nationality, ethnic or national origin, disability, sexual orientation, age, marital or civil partner status, gender reassignment or religion or belief. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company including making reasonable adjustments where required. If members of staff become disabled, every effort is made by the Company to ensure their continued employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Climate change

Disclosures are made in the Group's Annual Report and Financial Statements 2021 in respect of the Group's:

- scope 1 and 2 greenhouse gas emissions in tonnes of carbon dioxide equivalent;
- scope 3 carbon emissions in the supply chain;
- compliance with Taskforce on climate related financial disclosures ("TCFD") recommendations;
- a relevant intensity ratio (i.e. kilograms of carbon dioxide equivalent per customer); and
- information on underlying energy use for 2021.

The disclosures are produced in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy that has been implemented through the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018. This disclosure covers the greenhouse gas emissions and energy use for the Group and its operating divisions incorporating the Company.

Auditor information

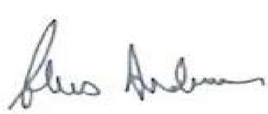
In accordance with section 418 of the Companies Act 2006, each person who is a director at the date of this report confirmed that:

i) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
ii) he has taken all reasonable steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Deloitte LLP will continue as auditor to the Company for the next financial year.

On behalf of the Board



C G Anderson
Director
25 April 2022

STRATEGIC REPORT

Business review

The following are considered the Company's Key Performance Indicators:

Key Performance Indicators (KPIs)	**2021 £'000**	2020 £'000
Profit before taxation	1,689	1,141

During the year, the Company serviced, on behalf of other group companies, 37,000 new contracts (2020: 38,000), as well as maintaining the servicing of a portfolio of loan contracts which increased from 91,400 to 93,900 in the year. This growth was achieved through investment in technology and staff to support the growth of the other group companies which the Company services.

Revenue grew by 31% to £32,978,000 (2020: £25,128,000), primarily as a result of the receivables growth within Moneybarn No.1 Limited which resulted in an increased intra-group revenue for Moneybarn Limited.

Administrative and operating costs increased by 31% to £31,222,000 (2020: £23,913,000) in line with increase in Revenue.

Regulation

Moneybarn Limited is regulated and authorised by the Financial Conduct Authority.

Principal risks and uncertainties and financial risk management

The Executive Committee of Moneybarn (consisting of Duncton Group Limited and its subsidiaries) is responsible for managing the day-to-day strategic risks of the Moneybarn group. Moneybarn is managed as a consolidated business, and the committees and risk management policies operate across Moneybarn. The Executive Committee delegates some of its responsibilities to sub-committees as appropriate.

The Board approves detailed budgets and forecasts for year ahead. It also approves outline projections for the subsequent four years. An update to the budget is approved each year. Actual performance against these budgets is monitored in detail within the Company's management accounts and this is supplemented with a rolling forecast of the full-year outturn. The Moneybarn executive committee meets each month to review the prior month performance of the Company. This includes the management accounts and key financial and non-financial performance indicators. The Company's management accounts also form part of the papers for each Board meeting.

The following committees all report to the Executive Committee, which in turn reports to the Board:

- Credit Committee which reviews credit performance, approves underwriting rule changes, assesses new products or product changes and approves pricing changes.
- Policy Committee which meets every other month and reviews and approves the Company policies and reviews and acts upon the feedback from internal audits.
- Technology and Change Committee which meets monthly to review the programme, prioritisation and progress of projects.
- Complaints Committee which reviews complaints examples, trends and root causes.
- Executive Audit, Risk and Compliance Committee which meets every quarter to review progress of actions raised and the performance of 3 lines of defence, regulatory matters and risk management including:

    - Consideration and monitoring of the ongoing effectiveness of the Company's risk management framework, including business systems and controls, risk policies and risk appetite;
    - Review the risk measures, risk dashboard and risk appetites; and
    - Consideration of the appropriateness of risk specific classifications and proposed mitigants as set out in the risk dashboard.

The Risk Committee is a committee of the Board and reports to the Board.

Information on the management of specific financial risks, including credit, market, liquidity, interest rate, and capital risks, is provided on pages 24 and 25.

Statement regarding section 172 of the Companies Act 2006

Our purpose, as part of the Provident Financial Group, is predicated on our customers and is underpinned by a number of strategic drivers and behaviours. These aim to deliver an appropriate balance between the needs of our customers, our regulators, investors and our employees, in order to ensure that we are successful and sustainable for all of our stakeholders. Our stakeholders are individuals or groups who have an interest in, or are affected by, the activities of our business; our key stakeholders are set out in the table below. We seek to engage with them regularly to ensure that we are aware of their views and concerns with regard to a wide range of issues and we do this in a number of ways, as detailed on this page and pages 5 to 8. By balancing the interests of our stakeholders, lending responsibly, contributing to wider society and ensuring the appropriate corporate governance arrangements are in place, we can maintain a reputation for high standards of business conduct. You can read about how we have generated and preserved value over the long term in the strategic report and review of business.

Our Stakeholders and why we engage with them	**How?** (How management and/or directors engaged with and considered our stakeholders)	**What?** (What were the key topics of engagement and consideration)	**Key outcomes and actions** (What was the impact of the engagement and/or consideration?)
Our Customers We engage with our customers to determine whether we are delivering our business activities in accordance with our purpose and ensuring that we deliver good outcomes for them throughout their journey with us.	• Utilising a wide variety of customer engagement methods including, third party research, and complaints monitoring • Monitoring performance against good customer outcomes • Considering the customer experience, customer journeys and outcomes • Designing and implementing policies that protect and support customers	• Customer outcomes, satisfaction, service level agreements, care, service and complaints • Policy suite includes, but is not limited to, Anti Money Laundering (‘AML’), Data Protection, Complaints Handling, Forbearance, Collections, Vulnerable Customers and Financial Promotions • Enhanced forbearance measures • Commencing working with Stepchange	• Management and Board oversight of customer complaints operations, outcomes and strategy • Refined and digitised, where beneficial, customer journeys • Customer payment holidays for customers impacted by the Covid-19 pandemic were continued until 31 July 2021 in line with FCA guidelines • Vehicle repossessions were paused for customers in arrears who had been impacted by the Covid-19 pandemic • Maintained appropriate credit underwriting reflective of the desire to lend responsibly through a period of continued disruption

STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	**How?** (How management and/or directors engaged with and considered our stakeholders)	**What?** (What were the key topics of engagement and consideration)	**Key outcomes and actions** (What was the impact of the engagement and/or consideration?)
Our shareholder The Company is a wholly owned subsidiary of Moneybarn Group Limited, whose ultimate parent is Provident Financial plc, and as such it is of paramount importance that the Group is kept updated on the Company's progress in delivering the Group's shared purpose, it's budget, it's strategy, governance and culture. Direct and regular engagement with our shareholder ensures that the Company has a clear understanding of its role as part of the Group.	• Continued to adapt the business model to take into account the Group-wide purpose, our Blueprint • The Group CEO is the Chair of the Company Board and the Group CFO is a member • The MD and FD have regular meetings with the Group CEO and Group CFO • Financial reporting, strategy and common accounting principles are utilised across the Group to provide alignment • The Budget and financial plan are developed as part of the wider Group process • The Group has an aligned corporate governance framework and structure including complementary Delegated Authorities Manuals • The Group has a centralised Corporate Responsibility team and a Group-wide approach to CSR. • Participating in the Group's capital funding plan and contributing to the strenghtening of the Group's capital, liquidity and funding structure.	• Strategy and long-term value creation • Culture and Blueprint • Financial and operational performance and resilience • Risk Management • Corporate governance arrangements and alignment • Corporate responsibility • Interactions with the regulators • The application of common accounting principles across the Group • Consideration of creditworthiness and lending policy in the macro-economic environment, specifically arising from the ongoing Covid-19 pandemic • Participation in the Group's intra-Group funding arrangements	• Business model aligned with the Group's purpose • Business model aligned with regulatory expectations • Group CEO and Company MD objectives aligned • Amended IFRS9 methodology application and alignment • Group approved budget and operational plan • Execution of a new warehouse securitisation

STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	**How?** (How management and/or directors engaged with and considered our stakeholders)	**What?** (What were the key topics of engagement and consideration)	**Key outcomes and actions** (What was the impact of the engagement and/or consideration?)
Our colleagues To ensure that they understand the Group's purpose and how they can support its delivery, which we believe helps our customer base. To maintain high levels of colleague engagement in order to enable us to attract, retain and develop the talent we need.	• A colleague survey was carried out during the year • Workforce panel consultation was undertaken to enhance and improve theworking environment and contributed to the future of work programme • Our Designated Group Non-Executive Director Colleague Champion plays the lead role in Board engagement with employees, understanding and representing employee interests across the Group • The Group has an active, Executive sponsored, inclusion programme which has five affinity pillars • Leadership and professional development programmes • The colleague communication strategy which was adapted in 2020 to account for the Covid-19 pandemic continued to deliver frequent, multi-channel communication • Group recognition platform, 'Better Everyday' continues to foster a culture where we say 'thank you' or 'well done' to colleagues who demonstrate our Blueprint behaviours • A confidential externally facilitated whistleblowing line is available for colleagues to raise concerns	• Review of colleague survey results • Culture, purpose and behaviours • Group aligned Colleague reward and recognition • Training, leadership development and succession planning • Employee engagement • Health and safety • Colleague wellbeing at work • Inclusion and affinity group pillars such as gender balance, ethnicity, disability and LGBTQ+	• Colleague survey action plans to address any areas for improvement and celebrate areas of achievement with a view to increasing scores year on year • Mechanisms for colleague recognition 'Better Everyday' • Continued oversight of our health and safety approach, including the impact on colleagues of the Covid-19 pandemic and associated working arrangements • 'Be Brilliant' leadership programme continuing and increased the support available for professional qualifications • Review of equipment enabling colleagues to work from home and office-based safely
Our communities To invest in activities and initiatives which seek to address some of the key factors which, on their own or acting together, may reduce someone's likelihood to be accepted for credit.	• Participation in the Group Social Impact Programme that delivers community investment • The Company participates in the Group Customer, Culture and Ethics Committee at which Group-wide community matters are discussed and overseen by the Group Board • Group Board oversight of community matters and the approach to external engagement regarding the Company's purpose and role in society	• Community contributions and charitable giving • Volunteering • Matched employee fundraising • Relationships with debt charities • Group Social Impact programme	• Group volunteering policy • Group approach to external engagement regarding the Company's purpose and role in society embedded • Matched employee charitable fundraising • The Group Social Impact Programme is aligned to the Group's strategy and Purpose and has delivered community investment focused on community, customers and education

STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	**How?** (How management and/or directors engaged with and considered our stakeholders)	**What?** (What were the key topics of engagement and consideration)	**Key outcomes and actions** (What was the impact of the engagement and/or consideration?)
Our regulators To plan for regulatory change with greater certainty and confidence, to maintain our reputation as a responsible lender and to maintain our sustainable business model.	• Board members and executive management engage proactively with regulators via regular face to face and telephone meetings • Regulatory risk reporting, including horizon scanning, is carried out and reported to the Company Risk Committee and Board as well as to the Group Executive Committee where appropriate • Regulatory engagement and correspondence is reported to and discussed by the Board • Dialogue and engagement regarding current products, potential products, customer outcomes and digitisation primarily through the Company CRO	• Affordability • Our products, our potential products and digitisation • Customer proposition improvements • Complaints levels and handling • Senior Management & Certification Regime and ongoing compliance • Culture • Payment holidays and other forbearance options • Regulatory change and the potential impact on our business model and processes	• Building Operational Resilience Project • Breathing Space Phase 2 • StepChange Initiatives • Co-operation with the Regulator on Borrowers in Financial Difficulty Project
Our suppliers To treat our suppliers fairly and develop strong relationships with them which ensure that we only buy products and services from those who operate responsibly and mitigates risk in our supply chain.	• There is an established due diligence process to manage supply chain-based risks and comply with Company policies • There are standardised contractual terms that we attempt to use with all of our suppliers, to reduce contractual risks when contracting under these terms • The Company is a signatory to the Prompt Payment Code, and we publish our Payment Practices Reporting at Companies House	• Prompt payment • Data Protection • Information Security • Environment • Supplier on-boarding and performance • Delegated Authorities • Modern Slavery • Anti-Bribery and Corruption	• Signatories of the Prompt Payment Code • SRM Framework which highlights supplier performance and enables joint roadmaps • Compliance with EBA Outsourcing Guidelines

STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	**How?** (How management and/or directors engaged with and considered our stakeholders)	**What?** (What were the key topics of engagement and consideration)	**Key outcomes and actions** (What was the impact of the engagement and/or consideration?)
Our environment To minimise our environmental impact, in particular to reducing the greenhouse gas emissions associated with our business activities, thereby lessening our contribution to issues such as climate change.	• The Company utilises and contributes to the Group Environmental Management System (EMS) • The Company participates in the Group Customer, Culture and Ethics Committee at which Group-wide environmental matters are overseen by the Group Board Committee • Participation in the Group submission to the Carbon Disclosure Project • Execution of activities to support Group achievement of ISO 14001	• Climate change • Environmentally conscious vehicle manufacture • Funding of electric vehicles • Achievement of the Task Force on Climate Related Financial Disclosures objectives • Maintenance and compliance with ISO 14001	• Group wide reduction in the Group's scope 1 and 2 (and associated scope 3) emissions • Group submission to the Carbon Disclosure Project • Compliance with ISO 14001 • Continued offset of the Group's operational carbon footprint • Group commitment to the six long-term ESG objectives • Implementation of the Task Force on Climate Related Financial Disclosures objectives and recommendations • A Climate Risk Committee was established with terms of reference approved by the CCE Committee, chaired by the Group's Chief Risk Officer. • Climate risk was approved as a principal risk by the Risk Committee • A Climate Risk Working Group has been established with specific responsibilities to support the reporting requirements for TCFD and undertake scenario analysis for climate related risks • The Group Board approved the Group's target to reach net zero carbon dioxide emissions by 2040 • The CCE Committee approved the Group's commitment to the Business Ambition for 1.5°C pledge

In all of our Board papers requiring a decision to be taken there is a section which presenters have to complete asking them to set out the impact/key matters for the Board to consider in relation to the decision in question on the following factors/stakeholders (where not already set out in the body of their paper) – customers; colleagues; suppliers; regulators/government; investors, communities; environment; reputation; and long term considerations. This draws attention to all of the factors directors need to take into account when considering their s.172 Companies Act 2006 duties, even if there is considered to be no material impact in relation to any specific category of consideration.

Statement regarding section 172 of the Companies Act 2006 (continued)

In making the following principal decision, the Board took into account its duties under s.172 of the Companies Act 2006:

Board approved a Core UK Group Waiver attestation to the Prudential Regulation Authority ("PRA")

In October 2021, the Board considered and approved the giving of a Core UK Group Waiver attestation (the "Attestation") to support an application to the PRA to allow the wider use of retail deposit funding across the Group, including the Company, from H2 2022, subject to PRA approval.

The Attestation underwent a thorough governance process with appropriate scrutiny and challenge provided by a variety of stakeholders across the finance and risk functions as well as external input.

In deciding to approve the Attestation to support the Core UK Group Waiver application, the Board considered a number of factors such as the benefits to the Company, associated risks and financial implications, as well as the impact of the decision on its stakeholders. One key consideration was securing a suitable funding mix for the Company which would support customer lending growth and help customers access vehicle finance.

Furthermore, the use of retail deposit funding would enable the Group to diversify its funding options and access deeper pools of liquidity at a lower cost therefore the Core UK Group Waiver would support stable margins and the ability to generate sustainable returns for the Company's shareholder and parent company.

Another consideration for the Board was how the Core UK Group Waiver application would facilitate the successful implementation of the 1PFG strategy, a key component of the Company's parent company strategic plan. The 1PFG strategy would deliver many efficiencies across the Group which would benefit the Company's colleagues, customers and its shareholder.

The Board also took into account the requirements of their regulator (the PRA) when making the decision to approve the Attestation in support of the Core UK Group Waiver application. The Group Legal function, as well as external expertise, provided assurance to the Board that the Attestation met the requirements of the regulator.

Taking into account the above factors and the directors' statutory and fiduciary duties, the Board determined that the giving of the Attestation in support of the Core UK Group Waiver application was in the best interests of the Company and thereby approved the Attestation. The Waiver remains subject to PRA approval.

Going concern

The Company exists solely to provide services to trading entity Moneybarn No.1 Limited, and therefore the going concern assumption for the Company is dependent on Moneybarn No.1 Limited, which is dependent on the ability and intent of its ultimate parent to continue to make funds available to enable the Company to meet its liabilities as they fall due.

In assessing whether the Company is a going concern, the directors have reviewed the Group's corporate plan, as approved in December 2021, which includes capital and liquidity forecasts from 2022 to 2026. The assessment included consideration of the Group's principal risks and uncertainties, with a focus on capital and liquidity.

The directors have also reviewed the Group's stress testing projections which are based on a severe but plausible scenario in which unemployment peaks at 12%. This shows that the Group is able to maintain sufficient capital headroom above minimum requirements. The directors have reviewed the Group's reverse stress testing projections to the point of non-viability, which concluded that the Group's viability only comes into question under an unprecedented macroeconomic scenario.

Based on this review, the directors are satisfied that the Company has the required resources to continue in business for a period of at least twelve months following the approval of the Company accounts. For this reason, the directors continue to adopt the going concern basis in preparing the Company accounts. Accordingly the financial statements of the Company have been prepared on a going concern basis of accounting. Further details on the basis of preparation is provided on page 19.

On behalf of the Board

C G Anderson
Director
25 April 2022

STATEMENT OF DIRECTORS' RESPONSIBLITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with United Kingdom adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONEYBARN LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Moneybarn Limited (the 'Company'):
- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in shareholders' equity;
- the statement of cash flows;
- the statement of accounting policies; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom international accounting standards.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 directors' 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 Company'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 directors 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the 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 Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company 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 the UK Companies Act and tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included regulation set by the Financial Conduct Authority.

We discussed among the audit engagement team, including relevant internal specialists such as IT and Tax, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONEYBARN LIMITED (CONTINUED)

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

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 concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Financial Conduct Authority;

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Perkins

Matthew Perkins (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
25 April 2022

MONEYBARN LIMITED
(Company Number 02766324)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2021 £'000	2020 £'000
Revenue	1	32,978	25,128
Administrative and operating costs		(31,222)	(23,913)
Total costs		(31,222)	(23,913)
Operating profit		1,756	1,215
Finance costs	2	(67)	(74)
Profit before taxation	3	1,689	1,141
Tax charge	4	(36)	(263)
Profit and total comprehensive income for the year		1,653	878

There is no other comprehensive income for the year.

All of the above operations relate to continuing operations.

MONEYBARN LIMITED
(Company Number 02766324)

BALANCE SHEET

	Note	2021 £'000	2020 £'000
ASSETS			
Cash and cash equivalents		1	142
Trade and other receivables	7	23,222	16,802
Property, plant and equipment	8	2,305	2,548
Right-of-use assets	9	1,943	2,139
Intangible assets	10	1,449	2,070
Deferred tax assets	12	304	96
Total assets		29,224	23,797
LIABILITIES AND EQUITY			
Trade and other payables	13	5,112	1,205
Current tax liabilities		-	296
Lease liabilities	14	2,159	2,279
Provisions	15	322	233
Total liabilities		7,593	4,013
Equity attributable to owners of the parent			
Share capital	17	51	51
Share premium account		164	164
Share-based payment reserve	18	347	309
Retained profit		21,069	19,261
Total equity		21,631	19,785
Total liabilities and equity		29,224	23,797

The financial statements on pages 15 to 41 were approved and authorised for issue by the Board of directors on 25 April 2022 and signed on its behalf by:

C G Anderson
Director

D V Shrimpton-Davis
Director

MONEYBARN LIMITED
(Company Number 02766324)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2020	51	164	505	18,273	18,993
Profit and total comprehensive income for the year	-	-	-	878	878
Transaction with owners:					
- share-based payment credit (note 18)	-	-	(86)	-	(86)
- transfer of share-based payment reserve	-	-	(110)	110	-
At 31 December 2020	51	164	309	19,261	19,785
At 1 January 2021	51	164	309	19,261	19,785
Profit and total comprehensive income for the year	-	-	-	1,653	1,653
Transaction with owners:					
- share-based payment charge (note 18)	-	-	193	-	193
- transfer of share-based payment reserve	-	-	(155)	155	-
At 31 December 2021	51	164	347	21,069	21,631

MONEYBARN LIMITED
(Company Number 02766324)

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Cash generated from operations	20	1,264	1,549
Net cash generated from operating activities		**1,264**	**1,549**
Cash flow from investing activities			
Purchase of property, plant and equipment	8	(558)	(551)
Purchase of intangible assets	10	(429)	(435)
Proceeds from disposal of property, plant and equipment	8	64	18
Net cash used in investing activities		**(923)**	**(968)**
Cash flow from financing activities			
Finance lease payments		(482)	(579)
Net cash used in financing activities		**(482)**	**(579)**
Net (decrease)/increase in cash and cash equivalents		(141)	2
Cash and cash equivalents at beginning of year		142	140
Cash and cash equivalents at end of year		**1**	**142**

STATEMENT OF ACCOUNTING POLICIES

General information
Moneybarn Limited is a private limited liability company incorporated in the United Kingdom under the Companies Act 2006 and domiciled in the United Kingdom. The address of the Company's registered office is Moneybarn, Athena House, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (UK), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006.

The change in basis of preparation from IFRS as adopted by the European Union (EU) to IFRS as adopted by the UK is required as a result of the UK's exit from the EU on 31 January 2020. This change does not constitute a change in accounting policy and there is no impact on recognition, measurement or disclosure between the two frameworks in the period reported.

The financial statements have been prepared on a going concern basis under the historical cost convention. In preparing the financial statements, the directors are required to use certain critical accounting estimates and are required to exercise judgement in the application of the Company's accounting policies.

In assessing whether the Company is a going concern, the directors have reviewed the Group's corporate plan, as approved in December 2021, which includes capital and liquidity forecasts from 2022 to 2026. The assessment included consideration of the Group's principal risks and uncertainties, with a focus on capital and liquidity.

The directors have also reviewed the Group's stress testing projections which are based on a severe but plausible scenario in which unemployment peaks at 12%. This shows that the Group is able to maintain sufficient capital headroom above minimum requirements. The directors have reviewed the Group's reverse stress testing projections to the point of non-viability, which concluded that the Group's viability only comes into question under an unprecedented macroeconomic scenario.

Based on this review, the directors are satisfied that the Company has the required resources to continue in business for a period of at least twelve months following the approval of the Company accounts. For this reason, the directors continue to adopt the going concern basis in preparing the Company accounts. Accordingly the financial statements of the Company have been prepared on a going concern basis of accounting.

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates.

Principal accounting policies
The Company's principal accounting policies under International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (UK), which have been consistently applied to all the years presented unless otherwise stated, are set out below

(a) New and amended standards adopted by the Company

Software-as-a-Service (SaaS)
The IFRS Interpretations Committee (IFRIC) recently published two agenda decisions clarifying how certain aspects of cloud technology, SaaS, should be accounted for. The first agenda decision, published in March 2019, concludes that a contract that conveys to the customer only the right to receive access to the supplier's application software in the future is a service contract (SaaS) rather than a software lease or the acquisition of a software intangible asset. The customer receives the service—the access to the software—over the contract term. The second agenda decision, published in April 2021, addresses how a customer should account for the costs of configuring or customising the supplier's application software in a SaaS arrangement that is determined to be a service contract.

Where a change in accounting policy is required to apply the conclusions reached by the IFRS Interpretations Committee this must be accounted for in line with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and, if material, prior period comparatives restated. The agenda decisions have not resulted in a material impact on the Group or Company and therefore the comparatives have not been restated.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2021 and not early adopted:

There are no new standards not yet effective and not adopted by the Company from 1 January 2021 which are expected to have a material impact on the Company.

Revenue

Revenue comprises income from fees charged for the origination and servicing of contract purchase agreements on behalf of other companies in the group and is charged to the Statement of comprehensive income in the period to which it relates.

Intangible assets

Intangible assets comprise computer software development costs, which represent the costs incurred to acquire or develop the specific software and bring it into use. Directly attributable costs incurred in the development of software are capitalised as an intangible asset if the software will generate future economic benefits. Directly attributable costs include the cost of software development by employees and an appropriate portion of relevant directly attributable overheads.

The residual values and economic lives of intangible assets are reviewed by management at each balance sheet date.

Amortisation is charged to the Statement of comprehensive income as part of administrative costs at the rate of 20.0% per annum on a straight-line basis.

Property, plant and equipment

Property, plant and equipment is shown at cost less subsequent depreciation and impairment.

Cost represents invoiced cost plus any other costs that are directly attributable to the acquisition of the items. Repairs and maintenance costs are expensed as incurred.

Depreciation is calculated to write down assets to their estimated realisable value over their useful economic lives. The following are the principal bases used:

	%	Method
Equipment (including computer hardware)	33.3	Straight line
Leasehold improvements	15.0	Straight line
Motor vehicles	25.0	Straight line

The residual values and useful economic lives of all assets are reviewed, and adjusted if appropriate, at each balance sheet date.

All items of property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the higher of the asset's value in use or its fair value less costs to sell.

Gains and losses on disposal of property, plant and equipment are determined by comparing any proceeds with the carrying amount of the asset and are recognised within administrative costs in the Statement of comprehensive income. Depreciation is charged to the Statement of comprehensive income as part of administrative costs.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Leases
The Company assess whether a contract contains a lease at inception of a contract. A right of use asset and a corresponding liability are recognised with respect to all lease arrangements where it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets (less than £4,000). For these leases, the lease payment is recognised within operating expenses on a straight-line basis over the lease term.
The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate is used. This is defined as the rate of interest that the lessee would have to pay to borrow, over a similar term, and with similar security the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. This is based on the Group's non-bank funding rate.

The lease payments included in the measurement of the lease liability comprise:
- fixed lease payments;
- variable lease payments; and
- payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease, using the effective interest rate method, and reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured whenever:
- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- the lease contract is modified and the modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the year.

The right of use asset comprises the initial measurement of the corresponding lease liability and is subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The lease liability and right of use asset are presented as separate line items on the balance sheet. The interest on the lease and depreciation are charged to the Statement of comprehensive income and presented within finance costs and operating costs respectively.

Trade and other receivables and payables
Trade and other receivables and payables are held at amortised cost and receivables are assessed for impairment at the balance sheet date based on lifetime expected credit loss (ECL). The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand.

Retirement benefits
Cash contributions to defined contribution pension schemes are charged to the Statement of comprehensive income on an accruals basis.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Share-based payments
Equity settled schemes:
Provident Financial plc grants options under employee savings-related share option schemes (typically referred to as Save As You Earn schemes (SAYE)) and makes awards under the Long Term Incentive Scheme (LTIS), the Restricted Share Plan (RSP) and the Company Share Option Plan (CSOP). All of these schemes are equity settled.

The cost of options and awards is based on their fair value. A binomial model is used for calculating the fair value of SAYE options which have no performance conditions attached and the RSP for which vesting is based on the discretion of the Remuneration Committee. No charge has been recognised for the CSOP as it is linked to the RSP awards granted at the same time. Any gains made by an employee in relation to the CSOP reduces the number of shares exercisable under the RSP award. The value of the charge is adjusted at each balance sheet date to reflect lapses and expected or actual levels of vesting, with a corresponding adjustment to the share-based payment reserve.

For LTIS schemes, performance conditions are based on EPS, total shareholder return (TSR) versus a peer group and risk metrics. Employees of the Company also have targets relating to profit before tax of their division. The fair value of awards is determined using a combination of the binomial and Monte Carlo option pricing models. The value of the charge is adjusted at each balance sheet date to reflect lapses and expected or actual levels of vesting. Where the Monte Carlo option pricing model is used to determine fair value of the TSR component, no adjustment is made to reflect expected or actual levels of vesting as the probability of the awards vesting is taken into account in the initial calculation of the fair value of the awards.

Cancellations by employees of contributions to the Group's SAYE plans are treated as non-vesting conditions and the Group recognises, in the year of cancellation, the amount of the expense that would have otherwise been recognised over the remainder of the vesting period.

Modifications are assessed at the date of modification and any incremental charges are recognised in the Statement of comprehensive income over the remaining vesting period of the scheme.

A transfer is made from the share-based payment reserve to retained earnings when options and awards vest, lapse or are cancelled.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The tax charge represents the sum of current and deferred tax. Current tax is calculated based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from profit before taxation as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax is also provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting judgements and sources of estimation uncertainty

No critical judgements or estimates have been identified that affect the reported amounts of assets and liabilities.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Moneybarn Limited (the 'Company') is a wholly owned subsidiary of Provident Financial plc which together with its subsidiaries, forms the Provident Financial Group (the 'Group').

The overall financial and risk management framework is the responsibility of the Board with certain responsibilities in respect of internal control and risk management being delegated to various subcommittees who report directly to the Board. The Company also operates within a Group treasury framework and is subject to Group treasury policies including counterparty, liquidity, interest rate, market and capital risk.

An overview of the Group's risk management framework can be found in the annual report and financial statements of Provident Financial plc which do not form part of this report.

(a) Credit risk
Credit risk is the risk that the Company will suffer loss in the event of a default by a customer, a bank counterparty or the UK Government. A default occurs when the customer or a bank fails to honour repayments as they fall due.

(b) Counterparty risk
The Company's maximum exposure to credit risk on bank counterparties as at 31 December 2021 was £1,000 (2020: £142,000).

Counterparty credit risk arises as a result of cash deposits placed with banks. Counterparty credit risk is managed by the Group's treasury committee and is governed by a Board approved counterparty policy which ensures that the Group's cash deposits and derivative financial instruments are only made with high quality counterparties with the level of permitted exposure to a counterparty firmly linked to the strength of its credit rating. In addition, there is a maximum exposure limit for all institutions, regardless of credit rating. This is linked to the Group's regulatory capital base in line with the Group's regulatory reporting requirements on large exposures to the Prudential Regulation Authority (PRA).

(c) Liquidity risk
Liquidity risk is the risk that the Company will have insufficient liquid resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

Liquidity risk is managed by the Group's centralised treasury department through daily monitoring of expected cash flows in accordance with a Board-approved Group funding and liquidity policy. This process is monitored regularly by the Group's Assets and Liabilities Committee (ALCO).

The Group's funding and liquidity policy is designed to ensure that the Group is able to continue to fund the growth of the business. The Group therefore maintains headroom on its committed borrowing facilities to fund growth and contractual maturities for at least the following 12 months. As at 31 December 2021, the group's committed borrowing facilities had a weighted average period to maturity of 2.5 years (2020: 1.5 years) and the headroom on these committed facilities amounted to £110.0m (2020: £79.3m).

The Group's funding strategy is to maintain sufficient available funds and committed facilities to pre-fund the Group's liquidity and funding requirements for at least the next 12 months, maintaining access to diversified sources of funding comprising: (i) external market funding; (ii) securitisation; (iii) retail deposits; and (iv) liquidity and funding facilities at the Bank of England.

In line with the Group's funding strategy to place less reliance on revolving credit facilities, the Group's facility was repaid early ahead of its contractual maturity in July 2023 and at the same time was cancelled at the discretion of the Group as allowed for in the terms of the facility. The headroom on committed facilities of £110.0m at 31 December 2021 reduced to £50.0m after cancellation of the facility. The Group does not require the funding and was not expecting to renew the facility on maturity.

The Group will continue to explore further funding options as appropriate including, but not limited to, using retail deposits taken in Vanquis Bank Limited to fund the Company, further securitisation issuance and institutional bond issuance. The Group continues to adopt a prudent approach to managing its funding and liquidity resources within risk appetite, and will optimise these resources when new opportunities become available to the Group.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (continued)

A maturity analysis of the undiscounted contractual cash flows of the Group's bank and other borrowings, including derivative financial instruments settled on a net and gross basis, is set out in the annual report and financial statements of Provident Financial plc.

(d) Interest rate risk
Interest rate risk is the risk of potential loss through unhedged or mismatched asset and liability positions, which are sensitive to changes in interest rates. Primarily, the Group is at risk of a change in external interest rates which leads to an increase in the Group's cost of borrowing.

The Group's exposure to movements in interest rates is managed by the Treasury Committee and is governed by a Board-approved interest rate hedging policy which forms part of the Group's treasury policies.

The Group seeks to limit the net exposure to changes in interest rates. This is achieved through a combination of issuing fixed-rate debt and by the use of derivative financial instruments such as interest rate swaps.

A 2% movement in the interest rate applied to borrowings during 2021 and 2020 would not have had a material impact on the Group's profit before taxation or equity given that the Group's receivables can be repriced over a relatively short timeframe. Further details of the interest rate risk management are detailed within the annual report and financial statements of Provident Financial plc.

Key benchmark interest rates and indices, such as the London Interbank Offered Rate (LIBOR), were reformed in favour of risk-free rates such as Sterling Overnight Index Average (SONIA) in the UK. LIBOR was withdrawn at the end of 2021. Over the course of 2021, the Group has refinanced all historically LIBOR-linked liabilities to reference SONIA.

(e) Market risk
Market risk is the risk of loss due to adverse market movements caused by active trading positions taken in interest rates, foreign exchange markets, bonds and equities. The Group's corporate policies do not permit it or the Company to undertake position taking or trading books of this type and therefore neither it or the Company does so.

(f) Capital risk
Capital risk is managed by the Group's centralised treasury department. The Group manages capital risk by focussing on capital efficiency and effective risk management. This takes into account the requirements of a variety of different stakeholders including shareholders, policyholders, regulators and rating agencies. A more detailed explanation of the management of capital risk can be found in the annual report and financial statements of Provident Financial plc within the Pillar 3 disclosures document which do not form part of this report.

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2021 £'000	2020 £'000
Servicing fees to group companies	32,978	25,128
Total revenue	32,978	25,128

Management regard the business as one operating segment. All revenue is from UK operations.

2 Finance costs

	2021 £'000	2020 £'000
Interest on lease liabilities	67	74
Total finance costs	67	74

3 Profit before taxation

	2021 £'000	2020 £'000
Profit before taxation is stated after charging/(crediting):		
Amortisation of Intangible assets:		
- computer software (note 10)	738	836
Impairment of Intangible assets	1,260	-
Depreciation of Property, plant and equipment (note 8)	764	841
Depreciation of Right of use assets (note 9)	481	480
Profit on disposal of Property, plant and equipment (note 8)	(27)	(4)
Operating lease rentals	74	78
Employment costs (note 6(b))	18,773	13,285

	2021 £'000	2020 £'000
Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the financial statements	12	4
Total auditor's remuneration	12	4

Auditor’s remuneration to Deloitte LLP in respect of non-audit services was £nil (2020: £nil).

4 Tax charge

Tax charge in the Statement of comprehensive income	2021 £'000	2020 £'000
Current tax	244	124
Deferred tax (credit)/charge (note 12)	(135)	148
Impact of change in UK tax rate	(73)	(9)
Total tax charge	36	263

4 Tax charge (continued)

The rate of tax charge on the profit before taxation for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). This can be reconciled as follows:

	2021 £'000	2020 £'000
Profit before taxation	1,689	1,141
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	321	217
Effects of:		
- impact of permanent differences	(25)	24
- impact of change in UK tax rate (Note (a))	(73)	(9)
- impact of write off of deferred tax assets (Note (b))	(15)	46
- adjustment in respect of prior years (Note (c))	17	(15)
- adjustment in respect of prior years related to group losses (Note (d))	(189)	-
Total tax charge	36	263

(a) Impact of change of UK tax rates

In 2016, changes in corporation tax rates were enacted which reduced the mainstream corporation tax rate to 17% with effect from 1 April 2020. Prior to 1 April 2020, the mainstream corporation tax rate was 19%. In 2020, the reduction in the mainstream corporation tax rate to 17% was cancelled and the rate remained at 19% for 2020. During 2021, a further change was enacted to increase the mainstream corporation tax rate from 19% to 25% with effect from 1 April 2023.

Deferred tax balances at 31 December 2019 were measured at the mainstream corporate tax rate of 17% to the extent that the temporary differences on which the deferred tax was calculated were expected to reverse after 1 April 2020. At 31 December 2020, these deferred tax balances were re-measured at the mainstream corporation tax rate of 19%, as were movements in the deferred tax balances during the year.

At 31 December 2021, the deferred tax balances have been re-measured at the mainstream corporation tax rate of 25% (2020: 19%) to the extent that the temporary differences on which deferred tax has been calculated are expected to reverse after 1 April 2023.

A tax credit of £73,000 (2020: credit of £9,000) represents the income statement adjustment to deferred tax as a result of these changes and no additional deferred tax charge (2020: nil) has been taken directly to other comprehensive income in respect of items reflected in other comprehensive income.

(b) Impact of write off of deferred tax assets

Deferred tax assets written off comprise a tax credit of £15,000 (2020: tax charge of £46,000) and relate to deferred tax assets in respect of share scheme awards where future tax deductions are expected to be higher (2020: lower) than previously anticipated.

(c) Adjustments in respect of prior years

The £17,000 tax charge (2020: £15,000 tax credit) in respect of prior years' primarily represents adjustments in respect of expenses not deductible for tax purposes and tax deductions for employee share awards.

(d) Adjustments in respect of prior years' related to group losses

The tax credit of £189,000 (2020: £nil) in respect of prior years' relates to group companies, which are now discontinued, having surrendered group relief to the Company which the Company has paid for at a discounted price.

5 Directors' remuneration

The remuneration of the directors, who are the key management personnel of the Company, is set out below:

	2021 £'000	2020 £'000
Short-term employee benefits	931	883
Post-employment benefits	20	31
Total	951	914

Fees and other emoluments of the highest paid director are as follows:

	2021 £'000	2020 £'000
Short-term employee benefits	523	390
Post-employment benefits	3	14
Total	526	404

The directors' emoluments of M J Le May and N Kapur are paid and disclosed by the ultimate parent company, Provident Financial plc.

No contributions were paid by the Company personal pension schemes in respect of the highest paid director (2020: £nil).

No retirement benefits accrued to any director under a money purchase scheme (2020: £nil).

Share awards vested for no directors during the year (2020: three).

6 Employee information

(a) The average monthly number of persons employed by the Company (including directors) was as follows:

	2021 Number	2020 Number
Total	412	360

(b) Employment costs – all employees (including directors)

	2021 £'000	2020 £'000
Aggregate gross wages and salaries paid to the Company's employees	16,346	11,861
Employers' National Insurance contributions	1,690	1,068
Pension charge (note 16)	544	442
Share-based payment charge/(credit) (note 18)	193	(86)
	18,773	13,285

The pension charge comprises amounts paid by the Company to a defined contribution pension plan (see note 16).

7 Trade and other receivables

	2021 £'000	2020 £'000
Amounts owed by intermediate parent undertaking	17,155	-
Amounts owed by fellow subsidiary undertakings	4,568	14,275
Prepayments and accrued income	1,499	2,527
Total	23,222	16,802

The fair value of trade and other receivables equated to their book value (2020: fair value equated to book value).

There are no amounts past due in respect of trade and other receivables that are not impaired.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (2020: carrying value).

Amounts owed by the intermediate parent undertaking and amounts owed by fellow subsidiary undertakings are unsecured, repayable on demand and do not accrue interest.

There are no expected credit losses recognised at the Balance sheet date (2020: none).

8 Property, plant and equipment

	Leasehold improvements	Equipment and vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2021	3,864	2,168	6,032
Additions	279	279	558
Disposals	-	(181)	(181)
At 31 December 2021	4,143	2,266	6,409
Accumulated amortisation			
At 1 January 2021	2,024	1,460	3,484
Charged to the statement of comprehensive income	379	385	764
Disposals	-	(144)	(144)
At 31 December 2021	2,403	1,701	4,104
Net book value at 31 December 2021	1,740	565	2,305
Net book value at 1 January 2021	1,840	708	2,548

	Leasehold improvements	Equipment and vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2020	3,816	1,700	5,516
Additions	48	503	551
Disposals	-	(35)	(35)
At 31 December 2020	3,864	2,168	6,032
Accumulated amortisation			
At 1 January 2020	1,572	1,092	2,664
Charged to the statement of comprehensive income	452	389	841
Disposals	-	(21)	(21)
At 31 December 2020	2,024	1,460	3,484
Net book value at 31 December 2020	1,840	708	2,548
Net book value at 1 January 2020	2,224	608	2,852

Disposals in the year had a net book value of £37,000 (2020: £14,000) and related proceeds of £64,000 (2020: £18,000). The profit on disposals was £27,000 (2020: £4,000).

9 Right-of-use assets

	New Barn	Athena House	Total
	£'000	£'000	£'000
Cost			
At 1 January 2021	1,295	2,626	3,921
Additions	285	-	285
At 31 December 2021	1,580	2,626	4,206
Accumulated depreciation and impairment			
At 1 January 2021	1,295	487	1,782
Charged to the statement of comprehensive income	190	291	481
At 31 December 2021	1,485	778	2,263
Net book value at 31 December 2021	95	1,848	1,943
Net book value at 1 January 2021	-	2,139	2,139

	New Barn	Athena House	Total
	£'000	£'000	£'000
Cost			
At 1 January 2020	1,295	2,626	3,921
At 31 December 2020	1,295	2,626	3,921
Accumulated depreciation and impairment			
At 1 January 2020	1,110	192	1,302
Charged to the statement of comprehensive income	185	295	480
At 31 December 2020	1,295	487	1,782
Net book value at 31 December 2020	-	2,139	2,139
Net book value at 1 January 2020	185	2,434	2,619

10 Intangible assets

	Software development	
	2021	2020
	£'000	£'000
Cost		
At 1 January	6,269	5,834
Additions	1,377	435
Disposals	(3,030)	-
At 31 December	4,616	6,269
Accumulated amortisation		
At 1 January	4,199	3,363
Charged to the statement of comprehensive income	738	836
Disposals	(3,030)	-
Impairment	1,260	-
At 31 December	3,167	4,199
Net book value at 31 December	1,449	2,070
Net book value at 1 January	2,070	2,471

Disposals in the year had a net book value of £nil (2020: no disposals in the year) and related proceeds of £nil (2020: no disposals in the year). The profit/(loss) on disposals was £nil (2020: no disposals in the year).

During the current year, the Company has impaired Intangible assets of £1,260,000 (2020: £nil).

11 Financial instruments

The following table sets out the carrying value of the Company's financial assets and liabilities in accordance with the categories of financial instruments set out in IFRS 9. Assets and liabilities outside the scope of IFRS 9 are shown within non-financial assets/liabilities:

2021	Amortised cost £'000	Non-financial assets/ liabilities £'000	Total £'000
Assets			
Cash and cash equivalents	1	-	1
Trade and other receivables	21,723	1,499	23,222
Property, plant and equipment	-	2,305	2,305
Right of use assets	-	1,943	1,943
Intangible assets	-	1,449	1,449
Deferred tax assets	-	304	304
Total assets	21,724	7,500	29,224
Liabilities			
Lease liabilities	2,159	-	2,159
Trade and other payables	4,164	-	4,164
Provisions	-	322	322
Current tax liabilities	-	-	-
Total liabilities	6,323	322	6,645

2020	Amortised cost £'000	Non-financial assets/ liabilities £'000	Total £'000
Assets			
Cash and cash equivalents	142	-	142
Trade and other receivables	14,275	2,527	16,802
Property, plant and equipment	-	2,548	2,548
Right of use assets	-	2,139	2,139
Intangible assets	-	2,070	2,070
Current tax assets	-	-	-
Deferred tax assets	-	96	96
Total assets	14,417	9,380	23,797
Liabilities			
Lease liabilities	2,279	-	2,279
Trade and other payables	1,205	-	1,205
Provisions	-	233	233
Current tax liabilities	-	296	296
Total liabilities	3,484	529	4,013

12 Deferred tax

Deferred tax is a future tax liability or asset resulting from temporary differences between the accounting value of assets and liabilities and their value for tax purposes. Deferred tax arises primarily in respect of: (a) property, plant and equipment which is depreciated on a different basis for tax purposes; (b) other temporary differences, which include: (i) deductions for employee share awards which are recognised differently for tax purposes; (ii) certain cost provisions for which tax deductions are only available when the costs are paid; and (iii) pension contributions for which tax deductions are only available when the costs are paid.

In 2016, changes in corporation tax rates were enacted which reduced the mainstream corporation tax rate to 17% with effect from 1 April 2020. Prior to 1 April 2020 the mainstream corporation tax rate was 19%. In 2020, the reduction in the mainstream corporation tax rate to 17% was cancelled and the rate remained at 19% for 2020. During 2021, a further change was enacted to increase the mainstream corporation tax rate from 19% to 25% with effect from 1 April 2023.

Deferred tax balances at 31 December 2019 were measured at the mainstream corporation tax rate of 17% to the extent that the temporary differences on which the deferred tax was calculated were expected to reverse after 1 April 2020. At 31 December 2020, these deferred tax balances were re-measured at the mainstream corporation tax rate of 19%, as were movements in the deferred tax balances during the year.

At 31 December 2021, the deferred tax balances have been re-measured at the mainstream corporation tax of 25% (2020: 19%) to the extent that the temporary differences on which deferred tax has been calculated are expected to reverse after 1 April 2023.

A tax credit of £73,000 (2020: credit of £9,000) represents the income statement adjustment to deferred tax as a result of these changes and no additional deferred tax charge (2020: nil) has been taken directly to other comprehensive income in respect of items reflected in other comprehensive income.

Asset	2021 £'000	2020 £'000
At 1 January	96	235
Credit/(charge) to the income statement (note 4)	135	(148)
Impact of change in UK tax rate	73	9
At 31 December	304	96

An analysis of the deferred tax asset for the Company is set out below:

			2021
Asset	Accelerated capital allowances £'000	Other temporary differences £'000	Total £'000
At 1 January	35	61	96
Credit to the income statement (note 4)	112	23	135
Impact of change in UK tax rate	46	27	73
At 31 December	193	111	304

12 Deferred tax (continued)

			2020
	Accelerated capital allowances	Other temporary differences	Total
Asset	£'000	£'000	£'000
At 1 January	114	121	235
Charge to the Statement of comprehensive income	(76)	(72)	(148)
Impact of change in UK tax rate	(3)	12	9
At 31 December	35	61	96

At 31 December 2021, there are no (2020: no) deductible temporary differences or carried forward tax losses in Moneybarn Limited for which a deferred tax asset is not provided.

13 Trade and other payables

	2021	2020
Current liabilities	£'000	£'000
Trade payables	420	87
Amounts owed to fellow subsidiary undertakings	241	151
Other payables including taxation and social security	308	417
Accruals	4,143	550
Total	5,112	1,205

The fair value of trade and other payables equates to their book value (2020: fair value equated to book value).

14 Lease liabilities

	2021 £'000	2020 £'000
Lease liabilities due in less than one year	320	120
Lease liabilities due in more than one year	1,839	2,159
Total	2,159	2,279

A maturity analysis of the lease liabilities is shown below

	2021 £'000	2020 £'000
Due within one year	384	286
Due between one and five years	1,496	1,401
Due in more than five years	509	891
Total	2,389	2,578
Unearned finance cost	(230)	(299)
Total lease liabilities	2,159	2,279
Lease liabilities due in less than one year	320	120
Lease liabilities due in more than one year	1,839	2,159
Total	2,159	2,279

15 Provisions

Provisions	2021 £'000	2020 £'000
At 1 January	233	149
Created in the year	89	84
At 31 December	322	233

Provisions relate to the expected dilapidation costs to return the building currently occupied by the Company back to a rentable state. The dilapidation costs are expected to be incurred within the next 12 months.

16 Retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amount to £544,000 (2020: £442,000).

The Company made no contributions to personal pension plans in the year (2020: £nil).

17 Share capital

	2021		2020	
	Authorised	Issued and fully paid	Authorised	Issued and fully paid
Ordinary shares of £1 each (£'000)	51	51	51	51
Number of shares ('000)	51	51	51	51

There are no shares issued and not fully paid at the end of the year (2020: no shares).

18 Share-based payments

Provident Financial plc operates four equity-settled share schemes: the Long Term Incentive Scheme (LTIS), employee savings-related share option schemes (typically referred to as Save As You Earn schemes (SAYE)), the Restricted Share Plan (RSP), and the Company Share Option Plan (CSOP) where shares in the parent company are available to the employees of the Company. Provident Financial plc also operates a cash settled scheme, the Provident Financial Equity Plan (PFEP) for eligible employees based on a percentage of salary.

During 2021, awards/options have been granted under the RSP/CSOP and SAYE (UK) schemes (2020: awards/options granted under RSP/CSOP, LTIS and SAYE schemes (UK only)).

(a) Equity-settled schemes
The charge to the Statement of comprehensive income during the year was £193,000 (2020: £86,000 credit) for equity-settled schemes. The fair value per award/option granted and the assumptions used in the calculation of the equity settled share-based payment charges are as follows:

		2021
	RSP/CSOP	SAYE
Grant date	18-Aug-21	05-Oct-21
Share price at grant date (£)	£3.43	£3.32
Exercise price (£)	-	£2.84
Shares awarded/under option (number)	137,979	27,496
Vesting period (years)	3	3
Expected volatility	68.2%	61.5%
Award/option life (years)	3	3
Expected life (years)	3	3
Risk free rate	-	0.5%
Expected dividends expressed as a dividend yield	n/a	5.1%
Fair value per award/option (£)	£3.34	£1.06

18 Share-based payments (continued)

			2020
	RSP/CSOP	LTIS	SAYE
Grant date	09-Nov-20	30-Mar-20	07-Oct-20
Share price at grant date (£)	£2.73	£2.02	£2.19
Exercise price (£)	-	-	£1.82
Shares awarded/under option (number)	357,329	219,119	90,685
Vesting period (years)	3	3	3 and 5
Expected volatility	68.20%	85.00%	68.5%-76.0%
Award/option life (years)	3	3	Up to 5
Expected life (years)	3	3	Up to 5
Risk free rate	-	0.13%	(0.01%)-(0.06%)
Expected dividends expressed as a dividend yield	n/a	n/a	6.80%
Fair value per award/option (£)	£2.41	£2.60	£0.71-£0.80

The expected volatility is based on historical volatility over the last three or five years as applicable. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon UK government bonds of a similar duration to the life of the share option. A reconciliation of share option movements during the year is shown below:

	RSP/CSOP		LTIS		SAYE	
		Weighted average exercise price		Weighted average exercise price		Weighted average exercise price
2021	Number	£	Number	£	Number	£
Outstanding at 1 January	357,329	-	136,210	-	125,020	2.49
Granted	137,979	-	-	-	27,496	2.84
Cancelled	-	-	-		-	-
Lapsed	(27,385)	-	(52,892)	-	(31,516)	3.93
Exercised	-	-	-	-	-	-
Outstanding at 31 December	467,923	-	83,318	-	121,000	2.20
Exercisable at 31 December	-	-	-	-	2,639	5.38

	RSP/CSOP		PSP		LTIS		SAYE	
		Weighted average exercise price		Weighted average exercise price		Weighted average exercise price		Weighted average exercise price
2020	Number	£	Number	£	Number	£	Number	£
Outstanding at 1 January	-	-	7,261	-	278,903	-	65,327	4.22
Granted	357,329	-	-	-	219,119	-	90,685	1.82
Cancelled	-	-	-	-	(178,266)	-	-	-
Lapsed	-	-	(4,193)	-	(183,546)	-	(30,992)	4.22
Exercised	-	-	(3,068)	-	-	-	-	-
Outstanding at 31 December	357,329	-	-	-	136,210	-	125,020	2.49
Exercisable at 31 December	-	-	-	-	-	-	-	-

18 Share-based payments (continued)

Share awards outstanding under the LTIS scheme at 31 December 2021 had an exercise price of £nil (2020: £nil) and a weighted average remaining contractual life of 0.2 years (2020: 0.9 years). Share options outstanding under the SAYE schemes at 31 December 2021 had exercise prices ranging from 182p to 538p (2020: 182p to 422p) and a weighted average remaining contractual life of 2.0 years (2020: 2.4 years). Share awards outstanding under the RSP scheme at 31 December 2021 had an exercise price of £nil (2020: £nil) and a weighted average remaining contractual life of 2.1 years (2020: 2.9 years). Share awards outstanding under the CSOP schemes at 31 December 2021 had exercise prices ranging from 241p to 334p (2020: 241p) and a weighted average remaining contractual life of 2.1 years (2020: 2.9 years).

(b) Cash-settled schemes
Cash awards were granted under the PFEP to eligible employees that require the Company to pay amounts linked to a combination of salary, financial performance and share price performance of Provident Financial plc. The charge to the Statement of comprehensive income in 2021 was £nil (2020: credit of £6,000) and the Company has a liability of £nil as at 31 December 2021 (2020: £nil).

19 Related party transactions

Details of the transactions between the Company and other Group undertakings, which comprise service charges and management recharges, along with any balances outstanding at 31 December are set out below:

			2021
Company	Management recharge £'000	Other charges £'000	Outstanding balance £'000
Ultimate parent undertaking	(3,504)	-	-
Intermediate parent undertaking	-	-	17,155
Other subsidiaries of the ultimate parent undertaking:			
Moneybarn No.1 Limited	32,978	-	4,568
Provident Financial Management Services Limited	-	(292)	(207)
Vanquis Bank Limited	-	(58)	(5)
Provident Personal Credit Limited	-	-	-
PFG Corporate Services	-	-	(29)

			2020
Company	Management recharge £'000	Other charges £'000	Outstanding balance £'000
Ultimate parent undertaking	(2,150)	-	-
Other subsidiaries of the ultimate parent undertaking:			
Moneybarn No.1 Limited	25,128	-	12,167
Provident Financial Management Services Limited	-	(1,107)	(77)
Vanquis Bank Limited	-	(303)	2,108
Provident Personal Credit Limited	-	-	(74)

The directors believe that all related party transactions are on an arm’s length basis.

20 Reconciliation of profit after taxation to cash generated from operations

	Note	2021 £'000	2020 £'000
Profit after taxation		1,653	878
Adjusted for:			
- share-based payments	18	193	(86)
- lease liability finance costs		77	83
- tax charge	4	(503)	263
- amortisation of intangible assets	10	738	836
- impairment of intangible assets	10	1,260	-
- depreciation of property, plant and equipment	8	764	841
- depreciation of right of use assets	9	481	480
- profit on disposal of property, plant and equipment	8	(27)	(4)
- provision movement	15	89	84
Changes in operating assets and liabilities:			
- trade and other receivables	7	(6,420)	(2,109)
- trade and other payables	13	2,959	283
Cash generated from operations		1,264	1,549

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the cash flow statement as cash flows from financing activities.

2021

	Cash changes		Non cash changes			
	1 January 2021 £'000	Lease payments £'000	Interest accrued £'000	Lease Adjustments £'000	Lease Additions £'000	31 December 2021 £'000
Lease liabilities	2,279	(482)	77	-	285	2,159

2020

	Cash changes		Non cash changes			
	1 January 2020 £'000	Lease payments £'000	Interest accrued £'000	Lease Adjustments £'000	Lease Additions £'000	31 December 2020 £'000
Lease liabilities	2,668	(579)	83	107	-	2,279

The lease adjustment in 2020 represents an adjustment to the original asset value as a result of a change in the discount rate applied to the Right of use asset.

21 Parent undertaking and controlling party

The immediate parent undertaking is Moneybarn Group Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Provident Financial plc, which is the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Provident Financial plc may be obtained from the Company Secretary, Provident Financial plc, No.1 Godwin Street, Bradford, BD1 2SU.