MONEYBARN GROUP LIMITED
(Company Number 04525773)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

MONEYBARN GROUP LIMITED
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MONEYBARN GROUP LIMITED
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DIRECTORS' REPORT

Moneybarn Group Limited (the 'company') is a wholly-owned subsidiary of Provident Financial plc, 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 Duncton Group Limited.

Principal activities and review of the business

The principal activity of the company is that of a holding company. The principal activity of the company's subsidiaries is the financing of motor vehicles to individuals via conditional sale agreements.

Results

The statement of comprehensive income for the year is set out on page 4. The loss for the year of £173,000 (2015: £32,000 loss) has been deducted from reserves.

Dividends

The directors are unable to propose the payment of a dividend in respect of the year ended 31 December 2016 (2015: £nil).

Directors

The directors of the company during the year ended 31 December 2016, all of whom were directors for the whole year then ended and to the date of this report, except where stated, were:

R W Anderson	(Appointed 1 September 2016)
P S Crook	Chairman (resigned as Chairman 31 December 2016)
A C Fisher	
S Hodgson	
S D K Law	
M J Le May	(Resigned 15 September 2016)
P Minter	Chairman (appointed Chairman 1 January 2017)

Consolidation exemption

The company is not required to produce consolidated accounts for its subsidiaries as the ultimate parent of the company, Provident Financial plc, produces a consolidation which includes the company and its subsidiaries. The financial statements for Provident Financial plc are publicly available.

Exemption from preparing a strategic report

In accordance with section 414B of Companies Act 2006, the company has taken advantage of the exemption for small companies from preparing a strategic report.

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.

BY ORDER OF THE BOARD

E G Versluys
Company Secretary
Bradford
8 March 2017

MONEYBARN GROUP LIMITED
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 suitable accounting policies and apply them consistently;
- 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 IFRS 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.

BY ORDER OF THE BOARD

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E G Versluys
Company Secretary
Bradford
8 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONEYBARN GROUP LIMITED

We have audited the financial statements of Moneybarn Group Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in shareholder's equity, the statement of cash flows, the statement of accounting policies, the financial and capital risk management report and the related notes 1 to 12 of the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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 directors' report for the financial year for which the financial statements is prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.

Peter Birch ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
8 March 2017

MONEYBARN GROUP LIMITED
(Company Number 04525773)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2016 £'000	2015 £'000
Administrative costs		(4)	(1)
Loss before taxation	1	(4)	(1)
Tax charge	2	(169)	(31)
Loss and total comprehensive loss for the year		(173)	(32)

All of the above operations relate to continuing operations.

MONEYBARN GROUP LIMITED
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BALANCE SHEET

	Note	2016 £'000	2015 £'000
ASSETS			
Non-current assets			
Investments in subsidiaries	4	-	-
Current assets			
Financial assets:			
- cash and cash equivalents		-	1
- trade and other receivables	6	2,955	2,956
Total current assets		2,955	2,957
Total assets		2,955	2,957
LIABILITIES			
Current liabilities			
Financial liabilities:			
- trade and other payables	7	(1,990)	(1,819)
Total liabilities		(1,990)	(1,819)
NET ASSETS		965	1,138
SHAREHOLDER'S EQUITY			
Share capital	8	1	1
Share premium account		1,159	1,159
Retained deficit		(195)	(22)
TOTAL SHAREHOLDER'S EQUITY		**965**	**1,138**

The financial statements on pages 4 to 15 were approved by the board of directors on 8 March 2017 and signed on its behalf by:

S Hodgson
Director

S D K Law
Director

MONEYBARN GROUP LIMITED
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STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Note	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
At 1 January 2015		1	1,159	10	1,170
Loss and total comprehensive loss for the year		-	-	(32)	(32)
At 31 December 2015		1	1,159	(22)	1,138
At 1 January 2016		1	1,159	(22)	1,138
Loss and total comprehensive loss for the year		-	-	(173)	(173)
At 31 December 2016		1	1,159	(195)	965

MONEYBARN GROUP LIMITED
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STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2016 £'000	2015 £'000
Cash flow used in operating activities			
Cash used in operations	11	(1)	(37)
Net cash used in operating activities		(1)	(37)
Net decrease in cash, cash equivalents and overdrafts		(1)	(37)
Cash and cash equivalents at beginning of year		1	38
Cash and cash equivalents at end of year		-	1

MONEYBARN GROUP LIMITED
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STATEMENT OF ACCOUNTING POLICIES

General information

The company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is The New Barn, Bedford Road, Petersfield, GU32 3LJ.

Basis of preparation

The financial statements are prepared in accordance with IFRS adopted for use in the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on a going concern basis under the historical cost convention. In accordance with section 400 of the Companies Act 2006 consolidated accounts are not presented since the company is a wholly owned subsidiary undertaking of Provident Financial plc, a company incorporated in the United Kingdom.

Principal accounting policies

The company's principal accounting policies under IFRS, which have been consistently applied to all the years presented unless otherwise stated, are set out below.

There have been no new or amended standards adopted by the company in the financial year beginning 1 January 2016 which had a material impact on the company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

Revenue

Revenue comprises dividends received from group undertakings and is recognised on an accruals basis.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established, provided that it is probable that the economic benefits will flow and the amount of revenue can be measured reliably. Dividend income is recognised in the income statement within revenue.

Cash and cash equivalents

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

Investment in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Dividends

Dividend distributions to the company's shareholder are recognised in the financial statements when approved by the company's board of directors.

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 income statement 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.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)
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.

MONEYBARN GROUP LIMITED
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FINANCIAL AND CAPITAL RISK MANAGEMENT

Moneybarn Group 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 group internal control and risk management framework is the responsibility of the group board with certain responsibilities in respect of internal control and risk management being delegated to various sub-committees who report directly to the board. An overview of the group's risk management framework can be found in the annual report and financial statements of Provident Financial plc.

The group operates with a centralised treasury function and therefore the funding requirements of the company are met wholly or partially via funding from Provident Financial plc or one of its subsidiaries. In addition, the allocation of capital is managed on a group basis by the centralised treasury function.

Accordingly, it is inappropriate to consider the management of liquidity risk, interest rate risk, market risk and capital risk on a stand-alone company basis.

(a) Liquidity risk
Liquidity risk is the risk that the group 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 treasury committee.

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 committed borrowing facilities and access to retail deposit funding through its subsidiary, Vanquis Bank Limited, to meet forecast borrowing requirements, including contractual maturities, at all times for at least the following 12 months. As at 31 December 2016, the group's committed borrowing facilities had a weighted average maturity of 2.5 years (2015: 2.8 years) and the headroom on these committed facilities amounted to £110.2m (2015: £222.3m). On 31 January 2017, the group entered into a new syndicated bank facility of £450m maturing in May 2020 and cancelled the existing facility of £382.5m which was due to expire in May 2018.

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by the Consumer Credit Division are of short-term duration (typically around one year), whereas the group's borrowings extend over a number of years.

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.

(b) Interest rate risk
Interest rate risk is the risk of a change in external interest rates which leads to an increase in the company's cost of borrowing.

The group's exposure to movements in interest rates is managed by the group 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 2016 and 2015 would not have had a material impact on the group's profit before taxation or equity as the group's interest rate risk was substantially hedged. Further details of the interest rate risk management are detailed within the annual report and financial statements of Provident Financial plc.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) 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 company's and group's policies do not permit it or the group to undertake position taking or trading books of this type and therefore neither it or the group does so.

(d) Capital risk

Capital risk is managed by the group's centralised treasury department. The group manages capital risk by focusing on capital efficiency and effective risk management. This aims to maintain sufficient, but not excessive, financial strength, optimise the debt to equity structure of the company and support dividend payments to the parent. 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.

NOTES TO THE FINANCIAL STATEMENTS

1 Loss before taxation

	2016 £'000	2015 £'000
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the financial statements	2	2
Total auditors' remuneration	2	2

2 Tax charge

Tax charge in the income statement	2016 £'000	2015 £'000
Current tax	(169)	(31)
Total tax charge	(169)	(31)

A tax charge (2015: tax charge) arises on the loss before taxation for the year at a rate higher (2015: higher) than the average standard rate of corporation tax in the UK of 20% (2015: 20.25%). This can be reconciled as follows:

	2016 £'000	2015 £'000
Loss before taxation	(4)	(1)
Loss before taxation multiplied by the average standard rate of corporation tax in the UK of 20% (2015: 20.25%)	1	-
Effects of:		
- adjustment in respect of prior years	(170)	(31)
Total tax charge	(169)	(31)

The tax charge in respect of prior years arises primarily as a result of the company writing off certain intragroup debt where no tax deduction is available for the loss arising, along with transfer pricing adjustments on non-trading intragroup balances. In 2015, the tax charge in respect of prior years arose primarily on transfer pricing adjustments on non-trading intragroup balances.

3 Employee information and directors' remuneration

The company has no employees other than directors, the cost of whom is borne by Moneybarn Limited.

4 Investments in subsidiaries

Cost and net book value	2016 £	2015 £
Investments in subsidiary companies	9	9

The directors consider the value of investments to be supported by their underlying assets.

The following are both direct subsidiary undertakings which, in the opinion of the directors, principally affect the profit or assets of the company, all of which are incorporated in England and are 100% owned by the company.

Company	Class of capital	Principal activity
Moneybarn Limited	Ordinary	Service company
Moneybarn No.1 Limited	Ordinary	Vehicle finance

The above companies operate principally in their country of incorporation or registration.

5 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 IAS 39.

			2016
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Trade and other receivables	2,955	-	2,955
Total assets	2,955	-	2,955
Liabilities			
Trade and other payables	-	(1,990)	(1,990)
Total liabilities	-	(1,990)	(1,990)

			2015
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	1	-	1
Trade and other receivables	2,956	-	2,956
Total assets	2,957	-	2,957
Liabilities			
Trade and other payables	-	(1,819)	(1,819)
Total liabilities	-	(1,819)	(1,819)

6 Trade and other receivables

Current assets	2016 £'000	2015 £'000
Amounts owed by fellow subsidiary undertakings	2,955	2,956
Total	2,955	2,956

The fair value of trade and other receivables equates to their book value (2015: fair value equated to book value). All trade and other receivables are classified as level 2 in the IFRS 13 fair value hierarchy.

Amounts owed by fellow subsidiary undertakings are unsecured, repayable on demand and do not accrue interest.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (2015: carrying value).

7 Trade and other payables

Current liabilities	2016 £'000	2015 £'000
Amounts owed to fellow subsidiary undertakings	1,988	1,816
Accruals	2	3
Total	1,990	1,819

The fair value of trade and other payables equates to their book value (2015: fair value equated to book value). The amounts owed to subsidiary and fellow subsidiary undertakings are unsecured, due for repayment in less than one year and do not accrue interest. All trade and other payables are classified as level 2 in the IFRS 13 fair value hierarchy.

8 Share capital

	2016	2015
	Issued and fully paid	Issued and fully paid
Ordinary shares of 1p each (£)	1,227	1,227
Number of shares	122,737	122,737

There are no shares issued and not fully paid at the end of the year (2015: no shares).

9 Related party transactions

Details of the transactions between the company and other group undertakings, which comprise any balances outstanding at 31 December are set out below:

	2016	2015
	Outstanding balance £'000	Outstanding balance £'000
Immediate parent undertaking	(873)	(873)
Other subsidiaries of the ultimate parent undertaking	1,840	2,013
Total	967	1,140

10 Contingent liabilities

The company is a guarantor in respect of: (i) borrowings made by the company's ultimate parent undertaking; and (ii) guarantees given by the company's ultimate parent undertaking in respect of borrowings of certain of its subsidiaries to a maximum of £1,019.0m (2015: £1,073.4m). At 31 December 2016, the borrowings amounted to £908.8m (2015: £851.1m). No loss is expected to arise.

11 Reconciliation of loss after taxation to cash used in operations

	Note	2016 £'000	2015 £'000
Loss after taxation		(173)	(32)
Adjusted for:			
Changes in operating assets and liabilities:			
- trade and other receivables		1	896
- trade and other payables		171	(901)
Cash used in operations		(1)	(37)

12 Parent undertaking and controlling party

The immediate parent undertaking is Duncton Group Limited. 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.