

GREENWOOD PERSONAL CREDIT LIMITED  
(Company Number 125150)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

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**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**DIRECTORS' REPORT**

Greenwood Personal Credit 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 immediate parent to the company is Provident Financial Management Services Limited. Provident Financial plc is a public limited company, listed on the London Stock Exchange.

**Principal activities**

The principal activity of the company was to provide unsecured home credit loans to customers in the UK. The company ceased trading from 1 April 2014 and the directors do not expect to trade in the foreseeable future.

**Results**

The statement of comprehensive income for the year is set out on page 5. The profit for the year of £7,000 (2015: £33,000) has been added to retained earnings.

**Post balance sheet event**

Following the refinancing of the syndicated bank facility in January 2017, the company ceased to be a guarantor in respect of the bank facility of the ultimate parent undertaking. The company continues to be a guarantor in respect of certain bond and private placement facilities of the ultimate parent undertaking.

**Dividends**

During the year ended 31 December 2016, the directors paid an interim dividend on the ordinary shares of the company of £4,000,000 (2015: £nil). The directors do not recommend a final dividend (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 were:

M Stevens	Chairman
T R Anson	
P A McLelland	
A J Parkinson	

**Principal risks and uncertainties and financial risk management**

The company participates in the group-wide risk management framework of Provident Financial plc. Details of the group's risk management framework together with the group's principal risks and uncertainties are set out in the annual report and financial statements of Provident Financial plc.

The financial and capital risk management policies of the company are set out on page 9.

**Exemption from preparing strategic report**

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

**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**DIRECTORS' REPORT (CONTINUED)**

**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 he 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/she 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

**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**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 the 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



E G Versluys  
Company Secretary  
Bradford  
8 March 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
GREENWOOD PERSONAL CREDIT LIMITED**

We have audited the financial statements of Greenwood Personal Credit 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 13 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 statement of directors' responsibilities, 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 profit 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 matter 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 are 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 from preparing a strategic report.

*S. Cumberbatch*

Stewart Cumberbatch FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham, United Kingdom  
8 March 2017

**GREENWOOD PERSONAL CREDIT LIMITED**  
(Company Number 125150)

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December	Note	2016 £'000	2015 £'000
Finance income	1	15	19
Administrative costs		(5)	(15)
<b>Profit before taxation</b>	2	10	4
Tax (charge)/credit	3	(3)	29
<b>Profit and total comprehensive income for the year attributable to the equity shareholder</b>		7	33

All of the above operations relate to continuing operations.

**BALANCE SHEET**

As at 31 December	Note	2016 £'000	2015 £'000
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets:			
- trade and other receivables	8	371	4,358
<b>Total assets</b>		371	4,358
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current tax liabilities		(4)	(1)
<b>Total liabilities</b>		(4)	(1)
<b>NET ASSETS</b>		367	4,357
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	9	17	17
Share premium account		1	1
Share-based payment reserve		2	19
Retained earnings		347	4,320
<b>TOTAL SHAREHOLDER'S EQUITY</b>		367	4,357

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 13 were approved by the board of directors on 8 March 2017 and signed on its behalf by:



M Stevens  
Director



P A McLelland  
Director

**GREENWOOD PERSONAL CREDIT LIMITED**  
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**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**

	Note	Share capital £'000	Share premium £'000	Share- based payment reserve £'000	Retained earnings £'000	Total £'000
<b>At 1 January 2015</b>		17	1	100	4,198	4,316
Profit and total comprehensive income for the year		-	-	-	33	33
Transactions with owners:						
- share-based payment charge		-	-	8	-	8
- transfer of share-based payment reserve		-	-	(89)	89	-
<b>At 31 December 2015</b>		17	1	19	4,320	4,357
<b>At 1 January 2016</b>		17	1	19	4,320	4,357
Profit and total comprehensive income for the year		-	-	-	7	7
Transactions with owners:						
- share-based payment charge		-	-	3	-	3
- transfer of share-based payment reserve		-	-	(20)	20	-
- dividends	4	-	-	-	(4,000)	(4,000)
<b>At 31 December 2016</b>		17	1	2	347	367

**STATEMENT OF CASH FLOWS**

	Note	2016 £'000	2015 £'000
For the year ended 31 December			
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	12	3,985	(19)
Finance income received		15	19
<b>Net cash generated from operating activities</b>		4,000	-
<b>Cash flows from financing activities</b>			
Dividends paid to company shareholder	4	(4,000)	-
<b>Net cash used in financing activities</b>		(4,000)	-
<b>Net increase in cash, cash equivalents and overdrafts</b>		-	-
Cash, cash equivalents and overdrafts at beginning of year		-	-
<b>Cash, cash equivalents and overdrafts at end of year</b>		-	-



**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**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 No.1 Godwin Street, Bradford, BD1 2SU.

**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. 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.

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 IFRS have been consistently applied to all the years presented. 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.

**Finance income**

Finance income comprises interest income earned from the ultimate parent undertaking on intercompany loans.

**Dividends**

Dividend distributions to the company's shareholder are recognised in the financial statements as follows:

Final dividend: when approved by the company's board of directors;

Interim dividend: when paid by the company.

**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 entries represent 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 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.

**GREENWOOD PERSONAL CREDIT LIMITED**  
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**STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

**Taxation (continued)**

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.

**Key assumptions and estimates**

In applying the accounting policies set out above, there are no significant estimates or assumptions that affect the reported amounts of assets and liabilities.

**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT**

Greenwood Personal Credit 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 on a stand-alone company basis.

**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 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: 2.6 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. Given that the group manages liquidity risk through the centralised treasury function, the borrowings maturity profile and undrawn facilities of the group is disclosed in the annual report of Provident Financial plc.

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by 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.

**GREENWOOD PERSONAL CREDIT LIMITED**  
(Company Number 125150)

**NOTES TO THE FINANCIAL STATEMENTS**

**1 Finance income**

	2016	2015
	£'000	£'000
<b>Interest receivable from ultimate parent undertaking</b>	15	19

**2 Profit before taxation**

	2016	2015
	£'000	£'000
Profit before taxation is stated after charging:		
Employment costs (note 6)	3	8
Auditor's remuneration:		
- fees payable to the company's auditor for the audit of the financial statements	2	2

**3 Tax charge/credit**

	2016	2015
	£'000	£'000
Tax (charge)/credit in the statement of comprehensive income	£'000	£'000
Current tax	(3)	29
<b>Total tax (charge)/credit</b>	<b>(3)</b>	<b>29</b>

The rate of tax on the profit before taxation for the year is higher than (2015: lower than) the average standard rate of corporation tax in the UK of 20% (2015: 20.25%). This can be reconciled as:

	2016	2015
	£'000	£'000
Profit before taxation	10	4
Profit before taxation multiplied by the average standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(2)	(1)
Effect of:		
- adjustment in respect of prior years	-	32
- impact of permanent differences	(1)	(2)
<b>Total tax (charge)/credit</b>	<b>(3)</b>	<b>29</b>

**4 Dividends**

During the year ended 31 December 2016, the directors paid an interim dividend on the ordinary shares of the company of £4,000,000 (2015: £nil), which has been deducted from reserves.

**5 Directors' remuneration**

The emoluments of the directors are paid by the parent company, Provident Financial Management Services Limited, which makes no recharge to the company (2015: no recharge). The directors of the company are also directors of a fellow subsidiary company and it is not possible to make an accurate apportionment of their services in relation to the company. The emoluments of these directors are disclosed in the financial statements of Provident Financial Management Services Limited.

During the year no directors exercised share awards under share incentive schemes (2015: two).

**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6 Employee information**

The company had no employees during 2016 (2015: no employees).

Employment costs:

	2016	2015
	£'000	£'000
Share-based payment charge	3	8
<b>Total employment costs</b>	<b>3</b>	<b>8</b>

All the above employee information excludes directors, whose remuneration is paid by Provident Financial Management Services Limited.

**7 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. Assets and liabilities outside the scope of IAS 39 are shown within non-financial assets/liabilities:

	2016		
		Non- financial	Total
	Loans and receivables	assets/ liabilities	Total
	£'000	£'000	£'000
<b>Assets</b>			
Trade and other receivables	371	-	371
<b>Total assets</b>	<b>371</b>	<b>-</b>	<b>371</b>
<b>Liabilities</b>			
Current tax liabilities	-	(4)	(4)
<b>Total liabilities</b>	<b>-</b>	<b>(4)</b>	<b>(4)</b>
	2015		
		Non- financial	Total
	Loans and receivables	assets/ liabilities	Total
	£'000	£'000	£'000
<b>Assets</b>			
Trade and other receivables	4,358	-	4,358
<b>Total assets</b>	<b>4,358</b>	<b>-</b>	<b>4,358</b>
<b>Liabilities</b>			
Current tax liabilities	-	(1)	(1)
<b>Total liabilities</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>

**GREENWOOD PERSONAL CREDIT LIMITED**  
(Company Number 125150)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**8 Trade and other receivables**

	2016	2015
Current assets	£'000	£'000
Amounts owed by ultimate parent undertaking	371	4,358
<b>Total</b>	<b>371</b>	<b>4,358</b>

Amounts owed by ultimate parent undertaking are unsecured, repayable on demand or within one year and generally accrue interest at rates linked to LIBOR.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above. There is no collateral held in respect of trade and other receivables (2015: £nil).

The fair value of trade and other receivables equates to their book value.

**9 Share capital**

		2016		2015	
		Authorised	Issued and fully paid	Authorised	Issued and fully paid
<b>Ordinary shares of 50p each</b>	<b>- £'000</b>	25	17	25	17
<b>- number (000s)</b>		50	34	50	34

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

**10 Related party transactions**

Details of the transactions between the company and other group undertakings, which comprise management recharges and interest charges on intra-group balances, along with any balances outstanding at 31 December are set out below:

	2016		2015	
	Interest charge	Outstanding balance	Interest charge	Outstanding balance
	£'000	£'000	£'000	£'000
Ultimate parent undertaking	(15)	371	(19)	4,358
<b>Total</b>	<b>(15)</b>	<b>371</b>	<b>(19)</b>	<b>4,358</b>

The outstanding balance represents the gross intercompany balance receivable by the company.

During the year the company paid dividends to the parent company, Provident Financial Management Services Limited, of £4,000,000 (2015: £nil).

**GREENWOOD PERSONAL CREDIT LIMITED**  
**(Company Number 125150)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Contingent liabilities**

At the year end, the company was 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 £1,046.0m (2015: £1,098.2m). At 31 December 2016, the borrowings amounted to £914.0m (2015: £865.2m). No loss is expected to arise.

**12 Reconciliation of profit after tax to cash generated from/(used in) operations**

	Note	2016 £'000	2015 £'000
Profit after taxation		7	33
Adjusted for:			
- tax charge/(credit)	3	3	(29)
- finance income	1	(15)	(19)
- share-based payment charge	6	3	8
Changes in operating assets and liabilities:			
- trade and other receivables		3,987	(12)
<b>Cash generated from/(used in) operations</b>		<b>3,985</b>	<b>(19)</b>

**13 Parent undertaking and controlling party**

The immediate parent undertaking is Provident Financial Management Services Limited.

The ultimate parent undertaking and controlling party is Provident Financial plc, a company incorporated in the United Kingdom, which is the smallest and largest 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.