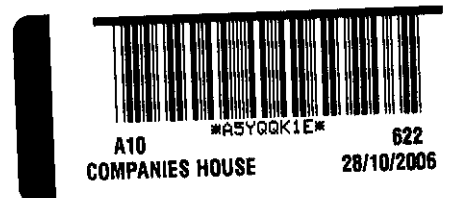


PROVIDENT YES CAR CREDIT LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2005

(Company Number 04253314)



**PROVIDENT YES CAR CREDIT LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

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**PROVIDENT YES CAR CREDIT LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

**1. Principal activities and review of business**

The principal activity of the company is to act as a holding and investment company.

On 14 December 2005, it was announced that the subsidiaries forming the Yes Car Credit operation would close. As a result, the company's subsidiary undertaking, Yes Car Credit Limited, wrote down its investment in the Yes Car Credit trading operations. This has led to a consequent write down in the company's investment in Yes Car Credit Limited of £67,789,000 during 2005. As at 31 December 2005, the company has net liabilities of £70,121,000 (2004: net assets of £971,000). Due to the company's year end position, the ultimate parent undertaking, Provident Financial plc, has confirmed its continued support for the company.

**2. Results**

The profit and loss account for the year is set out on page 5. The retained loss for the year of £71,092,000 (2004: loss of £3,100,000) has been deducted from reserves.

**3. Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2005 (2004: £nil).

**4. Directors**

The directors of the company during the year ended 31 December 2005, all of whom were the directors for the whole year then ended, except where stated, were:

RJ Marshall Smith	Chairman
CC Johnstone	(resigned 31 December 2005)
SA Shaw	(resigned 28 April 2006)
EG Verstuijs	(appointed 17 January 2005)

**PROVIDENT YES CAR CREDIT LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(CONTINUED)**

**5. Directors' interests**

According to the register required to be kept under Section 325 of the Companies Act 1985, the interests of the directors of the company at 31 December 2005 in the shares of the company's ultimate parent undertaking were as follows:

Number of share options

	<u>1 January</u> <u>2005</u>	<u>Granted</u> <u>under</u> <u>SAYE*</u>	<u>Granted</u> <u>under</u> <u>SESO**</u>	<u>Exercised</u>	<u>Surrendered</u>	<u>31 December</u> <u>2005</u>
SA Shaw	44,687	1,844	12,500	-	-	59,031

\* Employee savings-related share option schemes

\*\* Senior executive share option schemes

No directors had any beneficial holdings during the year.

The above options are exercisable at various dates before 2015 at prices ranging between 468 pence and 979.3 pence.

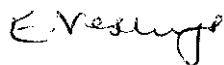
None of the directors holding office at 31 December 2005 had any interests in the shares of the company or any other group company, except as disclosed above.

As permitted by statutory instrument, the register does not include the interests of directors who are also directors of the company's parent undertakings.

**6. Auditors**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment as auditors to the company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



E G Versluys  
Company Secretary

BRADFORD

19 July 2006

**PROVIDENT YES CAR CREDIT LIMITED**

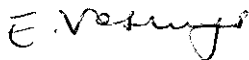
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period that 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.

The directors confirm that the most appropriate accounting policies have been used and applied consistently with the exception of changes arising on the adoption of new accounting standards. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed. They also confirm that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that 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 1985. The directors have a general responsibility 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

19 July 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**PROVIDENT YES CAR CREDIT LIMITED**

We have audited the financial statements of Provident Yes Car Credit Limited for the year ended 31 December 2005 which comprise the profit and loss account, the statement of retained losses, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

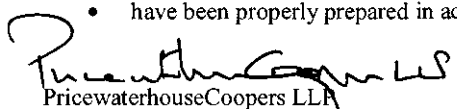
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
LEEDS  
19 July 2006

**PROVIDENT YES CAR CREDIT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	<u>Notes</u>	<u>2005</u> £'000	<u>2004</u> £'000
Administrative expenses		(2)	(2)
		<hr/>	<hr/>
OPERATING LOSS		(2)	(2)
Net interest payable	2	(4,716)	(4,426)
Amounts written off investments	7	(67,789)	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(72,507)	(4,428)
Tax credit on loss on ordinary activities	6	1,415	1,328
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR		(71,092)	(3,100)
		<hr/>	<hr/>

**STATEMENT OF RETAINED LOSSES**

	<u>2005</u> £'000	<u>2004</u> £'000
RETAINED LOSS AT 1 JANUARY	(8,131)	(5,031)
RETAINED LOSS FOR THE YEAR	(71,092)	(3,100)
	<hr/>	<hr/>
RETAINED LOSS AT 31 DECEMBER	(79,223)	(8,131)
	<hr/>	<hr/>

The results shown in the profit and loss account derive wholly from discontinued activities.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

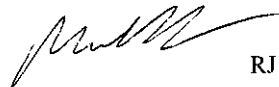
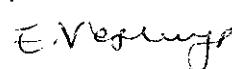
The company has no recognised gains and losses other than the results shown above and therefore no separate statement of total recognised gains and losses has been presented.

**PROVIDENT YES CAR CREDIT LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2005**

	<u>Notes</u>	<u>2005</u> £'000	<u>2004</u> £'000
FIXED ASSETS			
Investment in subsidiary undertaking	7	-	67,789
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	8	2,608	2,568
Cash at bank and in hand		20	20
		<hr/>	<hr/>
		2,628	2,588
		<hr/>	<hr/>
CREDITORS: amounts falling due within one year	9	(72,749)	(69,406)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(70,121)	(66,818)
		<hr/>	<hr/>
NET (LIABILITIES) / ASSETS		(70,121)	971
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called-up share capital	10	8,001	8,001
Share premium account	11	1,101	1,101
Profit and loss account		(79,223)	(8,131)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' (DEFICIT) / FUNDS	12	(70,121)	971
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 19 July 2006 and were signed on its behalf by:

	RJ Marshall Smith	)	
		)	
	EG Versluys	)	Directors



**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**

**1. Principal accounting policies**

The financial statements are prepared under the historical cost convention, and in accordance with applicable Accounting Standards in the United Kingdom. In accordance with Section 228 of the Companies Act 1985 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. The financial statements have been prepared on a going concern basis as the company's ultimate parent undertaking has confirmed its continued support for the company. A summary of the principal accounting policies applied in preparing the financial statements of the company for the year ended 31 December 2005 which have been applied on a consistent basis are set out below:

**(a) Changes in accounting policies**

The company has adopted FRS 17 'Retirement benefits', FRS 21 'Events after the balance sheet date' and the presentation requirements of FRS 25 'Financial instruments: Disclosure and measurement'. The adoption of each of these standards represents a change in accounting policy. There is no impact on the current year or comparative figures and therefore no amounts have been restated.

**(b) Cash flow statement**

As permitted by Financial Reporting Standard No.1 (Revised), no cash flow statement is presented as the company is a wholly owned subsidiary undertaking of Provident Financial plc and is included in the consolidated financial statements of Provident Financial plc which are publicly available.

**(c) Deferred taxation**

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the balance sheet date and is determined using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not they will be recoverable. Deferred taxation balances are not discounted.

**(d) Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated in the balance sheet at cost less provisions for impairment in their value.

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(CONTINUED)**

**2. Net interest payable**

	<u>2005</u> £'000	<u>2004</u> £'000
Interest receivable	1	1
Interest payable to ultimate parent undertaking	(4,717)	(450)
Interest payable to fellow subsidiary undertakings	-	(3,977)
	<hr/>	<hr/>
Net interest payable	(4,716)	(4,426)
	<hr/>	<hr/>

**3. Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after charging:

	<u>2005</u> £'000	<u>2004</u> £'000
Auditors' remuneration:		
Audit services	2	2
	<hr/>	<hr/>

**4. Directors' emoluments**

The directors received no emoluments in respect of their services to the company (2004: £nil).

Retirement benefits accrue to three (2004: three) directors under a defined benefit scheme.

During the year one (2004: one) director exercised share options over shares of the company's ultimate parent undertaking, Provident Financial plc.

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(CONTINUED)**

**5. Employee information**

The company has no employees other than the directors. All employee and related costs were borne by the company's parent undertakings or fellow group undertakings.

**6. Tax credit on loss on ordinary activities**

(a) Analysis of tax credit in the year

	<u>2005</u> £'000	<u>2004</u> £'000
UK corporation tax at 30% (2004: 30%)		
Current year	1,415	1,328
	<hr/>	<hr/>
Total current tax (note 6(b))	1,415	1,328
	<hr/>	<hr/>

(b) Factors affecting tax credit for the year

The tax credit (2004: credit) for the period is lower than (2004: in line with) the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2005</u> £'000	<u>2004</u> £'000
Loss on ordinary activities before taxation	(72,507)	(4,428)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(21,752)	(1,328)
Effects of:		
Provision against investment not deductible	20,337	-
	<hr/>	<hr/>
Current tax credit for the period (note 6(a))	(1,415)	(1,328)
	<hr/>	<hr/>

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(CONTINUED)**

**7. Investment in subsidiary undertaking**

	<u>Investment in shares £'000</u>
<b>Cost</b>	
At 1 January 2005 and 31 December 2005	67,789
<b>Provision</b>	
At 1 January 2004	-
Created during the year	(67,789)
At 31 December 2005	(67,789)
<b>Net book value</b>	
At 31 December 2005	-
At 31 December 2004	67,789

The company's subsidiary undertaking, which is incorporated and registered in the UK, is as follows:

<u>Name of subsidiary</u>	<u>Class of shares held</u>	<u>Percentage of shares held</u>
Yes Car Credit Limited	Ordinary	99.95%

The principal activity of Yes Car Credit Limited is to act as an intermediate holding company and to provide management services to its subsidiary undertakings.

Following the closure of the Yes Car Credit trading operations on 14 December 2005, Yes Car Credit Limited made a provision against its investment which resulted in that business having net liabilities as at 31 December 2005. As there are no further trading operations to make good that deficit, the company has made a full provision against the value of its investment in Yes Car Credit Limited.

**8. Debtors**

	<u>2005 £'000</u>	<u>2004 £'000</u>
Amounts due from fellow subsidiary undertakings	1,193	1,240
Corporation tax recoverable	1,415	1,328
	<u>2,608</u>	<u>2,568</u>

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(CONTINUED)**

**9. Creditors: amounts falling due within one year**

	<u>2005</u> £'000	<u>2004</u> £'000
Amounts owed to ultimate parent undertaking	72,749	69,406

Amounts owed to the company's ultimate parent undertaking are unsecured and have no fixed date of repayment. Interest is charged at LIBOR related rates.

**10. Called-up share capital**

	<u>2005</u> £'000	<u>2004</u> £'000
<b>Authorised</b>		
55,000,000 Ordinary shares of £1 each	55,000	55,000
<b>Allotted, called-up and fully paid</b>		
8,000,844 Ordinary shares of £1 each	8,001	8,001

**11. Share premium account**

	<u>2005</u> £'000	<u>2004</u> £'000
At 1 January and 31 December	1,101	1,101

**12. Reconciliation of movements in equity shareholders' funds**

	<u>2005</u> £'000	<u>2004</u> £'000
Loss for the financial year	(71,092)	(3,100)
Net deduction from equity shareholders' funds	(71,092)	(3,100)
Equity shareholders' funds at 1 January	971	4,071
Equity shareholders' (deficit) / funds at 31 December	(70,121)	971

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(CONTINUED)**

**13. Related party disclosures**

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS 8, 'Related Party Transactions,' from disclosing related party transactions with other entities included in the consolidated accounts of Provident Financial plc.

**14. Contingent liabilities**

The company has a contingent liability for guarantees given 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 £1,586,700,000 (2004: £1,459,558,000). At 31 December 2005 the borrowings amounted to £982,900,000 (2004: £890,341,000). No loss is expected to arise.

**15. Parent undertaking**

The immediate parent undertaking is Provident Limited.

The ultimate parent undertaking and controlling party is Provident Financial plc, which is the smallest and largest group to consolidate these financial statements. Copies of that company's consolidated financial statements may be obtained from the Company Secretary, Provident Financial plc, Colonnade, Sunbridge Road, Bradford, BD1 2LQ.