

**PROVIDENT YES CAR CREDIT LIMITED**  
(Company Number 04253314)

**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



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**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**

**DIRECTORS' REPORT**

Provident Yes Car Credit Limited (the 'company') is a wholly-owned subsidiary of Vanquis Banking Group plc (formerly Provident Financial plc) which, together with its subsidiaries, forms the Vanquis Banking Group (the 'group'). Vanquis Banking Group plc is a public limited company, listed on the London Stock Exchange.

**Principal activity and review of business**

The principal activity of the company is to act as a holding and investment company. As at 31 December 2022, the company has net liabilities of £75,152,000 (2021: £75,152,000). The directors expect that the present level of business will be sustained for the foreseeable future.

Due to the company's year-end position, the ultimate parent undertaking, Vanquis Banking Group plc, has confirmed its continued support for the company for at least the next 12 months from the date of signing the financial statements. Accordingly, the financial statements of the company have been prepared on a going concern basis.

**Results**

The statement of comprehensive income for the year is set out on page 4. The profit for the year of £nil (2021: £nil) has been added to (2021: added to) reserves.

**Dividends**

The directors are unable to recommend the payment of a dividend in respect of the year ended 31 December 2022 (2021: £nil).

**Directors**

The directors of the company at 31 December 2022 and up to the date of signing of this report, except where stated, were:

C Davies (resigned 19 August 2022)  
M Barnett (appointed 19 August 2022)  
N Kapur

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

The company participates in the group-wide management framework of Vanquis Banking Group 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 Vanquis Banking Group plc.

**Key performance indicators (KPIs)**

Given the straightforward nature of the business, the company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**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.

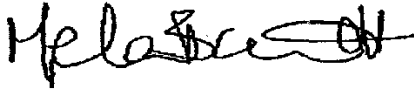
**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**

**DIRECTORS' REPORT**  
**(CONTINUED)**

**Auditor information**

The directors of the company have taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2022.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'M Barnett', with a stylized flourish at the end.

M Barnett  
Director  
Bradford  
23 June 23

**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**

**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 (IFRSs) as adopted by the United Kingdom. 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.

**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December	Note	2022 £'000	2021 £'000
Administrative costs		-	-
<b>Profit before taxation</b>		-	-
Tax charge	3	-	-
<b>Total comprehensive income for the year</b>		-	-

All of the above operations relate to continuing operations.

**BALANCE SHEET**

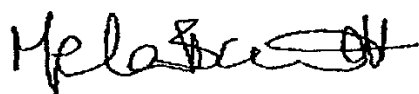
As at 31 December	Note	2022 £'000	2021 £'000
<b>ASSETS</b>			
Cash and balances at central banks		-	20
<b>TOTAL ASSETS</b>		-	<b>20</b>
<b>LIABILITIES AND EQUITY</b>			
Trade and other payables	4	75,152	75,172
<b>Total liabilities</b>		75,152	75,172
<b>Equity attributable to owners of the parent</b>			
Share capital	5	8,001	8,001
Share premium		1,101	1,101
Retained losses		(84,254)	(84,254)
<b>Total Equity</b>		(75,152)	(75,152)
<b>TOTAL EQUITY AND LIABILITIES</b>		-	<b>20</b>

The company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 11 were approved and authorised for issue by the board of directors on 23 June 2023 and were signed on its behalf by:



M Barnett  
Director

**PROVIDENT YES CAR CREDIT LIMITED**  
(Company Number 04253314)

**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**

	Share capital £'000	Share premium £000	Accumulated losses £'000	Total £'000
At 1 January 2021	8,001	1,101	(84,254)	(75,152)
Profit and total comprehensive income for the year	-	-	-	-
<b>At 31 December 2021</b>	<b>8,001</b>	<b>1,101</b>	<b>(84,254)</b>	<b>(75,152)</b>
At 1 January 2022	8,001	1,101	(84,254)	(75,152)
Profit and total comprehensive income for the year	-	-	-	-
<b>At 31 December 2022</b>	<b>8,001</b>	<b>1,101</b>	<b>(84,254)</b>	<b>(75,152)</b>

**STATEMENT OF CASH FLOWS**

		2022 £'000	2021 £'000
For the year ended 31 December	Note		
<b>Cash flows used in operating activities</b>			
Cash used in operations		-	-
<b>Net cash used in operating activities</b>		-	-
<b>Cash flow from financing activities</b>			
Loan repayments to ultimate parent	5	(20)	-
<b>Net cash used in financing activities</b>		(20)	-
<b>Net movement in cash and cash equivalents</b>		(20)	-
Cash and cash equivalents at beginning of year		20	20
<b>Cash and cash equivalents at end of year</b>		-	20

**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**

**STATEMENT OF ACCOUNTING POLICIES**

**General information**

The company is a limited liability company incorporated in the UK. The address of its registered office is No.1 Godwin Street, Bradford, West Yorkshire, BD1 2SU.

**Basis of preparation**

The financial statements have been prepared in accordance with international accounting standards as adopted by the United Kingdom (UK) 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.

As at 31 December 2022, the company has net liabilities of £75,152,000 (2021: £75,152,000). Due to the company's year-end position, its parent undertaking, Vanquis Banking Group plc, has confirmed its continued support for the company. Accordingly, the financial statements have been prepared on a going concern basis.

**Principal accounting policies**

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

There are no new standards not yet effective and not adopted by the Company from 1 January 2023 which are expected to have a material impact on the Company.

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

**Going Concern**

In assessing whether the Company is a going concern, the directors have reviewed the Group's corporate plan, as approved in December 2022, which includes detailed forecasts for the three year period to December 2025 and also considered less detailed forecasts for 2026 and 2027. These higher-level outer year forecasts do not contain any information which would cause different conclusions to be reached over the longer-term viability of the Company or Group. 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. The stress test scenario envisages that the UK economy enters a period of stagflation in 2023 with inflation rising to approximately 17% and the UK Bank Rate rising to 6%. As a result, the UK unemployment rate rises to approximately 8.5%. 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 Group has the required resources to continue in business for a period of at least twelve months following the approval of the Company accounts. In addition, due to the Company's position at the year end, the immediate and ultimate parent undertaking, Vanquis Banking Group plc, has confirmed its continued support for the Company for a period of at least twelve months from the date of approval of the financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the Company's accounts.



**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**

**STATEMENT OF ACCOUNTING POLICIES**  
**(CONTINUED)**

**Financial instruments**

In accordance with IFRS 9, 'Financial instruments', trade and other payables and cash and cash equivalents are measured at amortised cost and assessed for impairment.

**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.

**PROVIDENT YES CAR CREDIT LIMITED**  
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**FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)**

Provident Yes Car Credit Limited (the 'company') is a wholly-owned subsidiary of Vanquis Banking Group plc which, together with its subsidiaries, forms the Vanquis Banking Group (the 'group').

The overall financial 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 subcommittees who report directly to the Group 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 Vanquis Banking Group plc, which do not form part of this report.

**(a) 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. The Company's funding is provided by a mixture of retained earnings and intra-group borrowings from within the Group.

Liquidity risk is managed on a day-to-day basis by the Group's centralised Treasury function, under the supervision of the Assets and Liabilities Committee (ALCO) and in accordance with a Group Board-approved Group Funding and Liquidity Policy, which is designed to ensure that the Group is able to continue to fund the growth of the business. The overall responsibility for the management of liquidity risk rests with ALCO, which makes recommendations for the Group's liquidity policy for Group Board approval. ALCO monitors liquidity risk metrics within limits set by the Group Board, including meeting regulatory requirements.

As an authorised deposit taker, the liquidity position of Vanquis Bank Limited, the ultimate parent company's banking subsidiary, is also managed on a standalone basis. Vanquis Bank is a PRA-regulated institution and is primarily funded via retail deposits. It is required to maintain a liquid assets buffer to meet daily stress tests which are designed to determine its liquidity adequacy requirements to fulfil its operational plans and meet its financial obligations as they fall due, even in stressed conditions. It also maintains an operational buffer over such requirements in line with its risk appetite. The amount of liquidity held by Vanquis Bank Limited is calculated based on the Internal Liquidity Adequacy Assessment Process (ILAAP) undertaken by the Group and Vanquis Bank.

The ILAAP determines the liquid resources that must be maintained by Vanquis Bank Limited to meet the Overall Liquidity Adequacy Rule (OLAR) and to ensure that it can meet its liabilities as they fall due. It is based on an analysis of its business as usual forecast cash requirements but also considers their predicted behaviour in stressed conditions. In recognition of the Core UK Group waiver received in November 2022, allowing Vanquis Bank Limited to fund the vehicle finance business, the ILAAP also includes an assessment of the liquidity needs of the wider Non-Bank Group.

As at 31 December 2022, the Group's committed borrowing facilities had a weighted average period to maturity of 2.0 years (2021: 2.5 years) and the headroom on these committed facilities amounted to £50.0m (2021: £110.0m).

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.

A maturity analysis of the undiscounted contractual cash flows of the Group's bank and other borrowings is set out in the annual report and financial statements of Vanquis Banking Group plc.

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**FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)**

**(b) 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, with control and oversight provided by ALCO, and is governed by a Group Board-approved interest rate hedging policy which forms part of the Group's treasury policies.

The principal market set interest rate used by the Group's lenders is the Sterling Overnight Index Average (SONIA). The SONIA index tracks the sterling overnight indexed swaps for unsecured transactions in the market. SONIA is the risk-free borrowing rate which is used to set rates for certain borrowings and swaps.

The Group has adopted the standard methodology measurement of interest rate risk. The Group measures and monitors the following market risk drivers under the interest rate risk in the banking book (IRRBB) framework through which risk exposure may arise.

**(c) Market risk**

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. The Group's exposure to market risk is primarily through interest rate risk. These exposures arise solely through the Group's duration mismatches between its lending and funding activities.

The Group's corporate policies do not permit it or the Company to undertake position taking or to run a trading book of this type and therefore neither it nor the Company does so.

**(d) 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 Vanquis Banking Group plc, and within the Pillar 3 disclosures document which do not form part of this report.

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**NOTES TO THE FINANCIAL STATEMENTS**

**1 Employee information**

The company had no employees during 2022 (2021: no employees).

**2 Directors' emoluments**

The emoluments of the directors for services to the company during 2022 were £nil (2021: £nil). The emoluments of the directors are borne by another subsidiary and it is not possible to make an accurate allocation in relation to these services to the company.

**3 Tax Charge**

	2022	2021
	£'000	£'000
Current tax - Current year	-	-

During 2021, a change was enacted to increase the mainstream corporation tax rate from 19% to 25% with effect from 1 April 2023. The Company is not carrying any deferred tax balances and so there is no impact in the current period from this change.

The rate of tax credited on the profit before taxation for the year is in line with (2021: in line with) the average standard rate of corporation tax in the UK of 19% (2021: 19.0%).

**4 Trade and other payables**

	2022	2021
	£'000	£'000
Amounts owed to ultimate parent company	75,152	75,172

Amounts payable to the company's ultimate parent undertaking are unsecured and have no fixed date of repayment. No interest has been charged on loans from the company's ultimate parent undertaking on the basis that, had the company and its parent been acting at arm's length, these loans would not have been made. The company is considered to have no ability to service or repay such loans.

**PROVIDENT YES CAR CREDIT LIMITED**  
**(Company Number 04253314)**

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

**5 Share capital**

	2022	2021
	£'000	£'000
Authorised - ordinary shares of £1 each	55,000	55,000
Allotted, called up and fully paid - ordinary shares of £1 each	8,001	8,001

**6 Related party transactions**

	Outstanding balance	
	2022	2021
	£'000	£'000
Amounts payable to Vanquis Banking Group plc	75,152	75,172

The outstanding balance represents the gross intercompany balance.

**7 Parent undertaking and controlling party**

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