

**PROVIDENT YES CAR CREDIT LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2004**

**(Company Number 04253314)**



**PROVIDENT YES CAR CREDIT LIMITED**  
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**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**PROVIDENT YES CAR CREDIT LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

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

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

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of business will be sustained for the foreseeable future.

**2. Results**

The profit and loss account for the year is set out on page 5. The retained loss for the year of £3,100,000 (2003: loss of £2,939,000) 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 2004 (2003: £nil).

**4. Directors**

The directors of the company during the year ended 31 December 2004, all of whom were the directors for the whole year then ended, except where stated, were:

RJ Marshall Smith	Chairman
CL Farbridge	(resigned 31 December 2004)
CC Johnstone	
SA Shaw	
EG Versluys	(appointed 17 January 2005)

**PROVIDENT YES CAR CREDIT LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(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 2004 in the shares of the company's ultimate parent undertaking were as follows:

**Number of share options**

	<u>1 January</u> <u>2004</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>2004</u>
SA Shaw	48,615	-	12,500	(15,000)	-	46,115

\* 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 2014 at prices ranging between 468 pence and 979.3 pence.

None of the directors holding office at 31 December 2004 had any interests in the shares of the company or any other group company, except as disclosed.

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



R J Marshall Smith  
Company Secretary

BRADFORD

28 April 2005

**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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 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

A handwritten signature in black ink, appearing to read 'R J Marshall Smith', written over a horizontal line.

R J Marshall Smith  
Company Secretary

BRADFORD

28 April 2005

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

We have audited the financial statements which comprise the profit and loss account, the statement of retained losses, the balance sheet and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 transactions is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs at 31 December 2004 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  
28 April 2005

**PROVIDENT YES CAR CREDIT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	<u>Notes</u>	<u>2004</u> £'000	<u>2003</u> £'000
Administrative expenses		(2)	(2)
		_____	_____
OPERATING LOSS		(2)	(2)
Net interest payable	2	(4,426)	(4,162)
		_____	_____
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(4,428)	(4,164)
Tax credit on loss on ordinary activities	6	1,328	1,225
		_____	_____
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR		(3,100)	(2,939)
		_____	_____

**STATEMENT OF RETAINED LOSSES**

	<u>2004</u> £'000	<u>2003</u> £'000
RETAINED LOSS AT 1 JANUARY	(5,031)	(2,092)
RETAINED LOSS FOR THE YEAR	(3,100)	(2,939)
	_____	_____
RETAINED LOSS AT 31 DECEMBER	(8,131)	(5,031)
	_____	_____

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


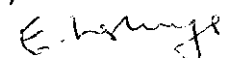
The company has no recognised gains and losses other than the results shown above and therefore no separate statement of total recognised gains and losses has been presented.

**PROVIDENT YES CAR CREDIT LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2004**

	<u>Notes</u>	<u>2004</u> £'000	<u>2003</u> £'000
<b>FIXED ASSETS</b>			
Investment in subsidiary undertaking	7	67,789	67,789
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	8	2,568	1,249
Cash at bank and in hand		20	20
		<hr/>	<hr/>
		2,588	1,269
<b>CREDITORS: amounts falling due within one year</b>	9	(69,406)	(64,987)
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		(66,818)	(63,718)
		<hr/>	<hr/>
<b>NET ASSETS</b>		971	4,071
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	8,001	8,001
Share premium account	11	1,101	1,101
Profit and loss account		(8,131)	(5,031)
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	971	4,071
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 28 April 2005 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 2004**

**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. A summary of the principal accounting policies applied in preparing the financial statements of the company for the year ended 31 December 2004 which have been applied on a consistent basis are set out below:

**(a) 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.

**(b) 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.

**(c) 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 2004**  
**(CONTINUED)**

**2. Net interest payable**

	<u>2004</u> £'000	<u>2003</u> £'000
Interest receivable	1	15
Interest payable to ultimate parent undertaking	(450)	(52)
Interest payable to fellow subsidiary undertakings	(3,977)	(4,125)
	<hr/>	<hr/>
Net interest payable	(4,426)	(4,162)
	<hr/>	<hr/>

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

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

	<u>2004</u> £'000	<u>2003</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 (2003: £nil).

Retirement benefits accrue to three (2003: four) directors under a defined benefit scheme.

During the year 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 2004**  
**(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>2004</u> £'000	<u>2003</u> £'000
UK corporation tax at 30% (2003: 30%)		
Current year	1,328	1,249
Prior year	-	(24)
	<hr/>	<hr/>
Total current tax (note 6(b))	1,328	1,225
	<hr/>	<hr/>
Total tax credit	1,328	1,225
	<hr/>	<hr/>

(b) Factors affecting tax credit for the year

The tax credit (2003: credit) for the period is in line with (2003: lower than) the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2004</u> £'000	<u>2003</u> £'000
Loss on ordinary activities before taxation	(4,428)	(4,164)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	(1,328)	(1,249)
Effects of:		
Adjustments to tax charge in respect of prior periods	-	24
	<hr/>	<hr/>
Current tax credit for the period (note 6(a))	(1,328)	(1,225)
	<hr/>	<hr/>

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(CONTINUED)**

**7. Investment in subsidiary undertaking**

	<u>Investment</u> <u>in shares</u> £'000
<b>Cost and net book value</b>	
At 1 January 2004 and 31 December 2004	67,789
	<hr/>

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</u> <u>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.

**8. Debtors**

	<u>2004</u> £'000	<u>2003</u> £'000
Amounts due from fellow subsidiary undertakings	1,240	-
Corporation tax recoverable	1,328	1,249
	<hr/>	<hr/>
	2,568	1,249
	<hr/>	<hr/>

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

	<u>2004</u> £'000	<u>2003</u> £'000
Amounts owed to ultimate parent undertaking	69,406	63,469
Amounts owed to fellow subsidiary undertakings	-	1,518
	<hr/>	<hr/>
	69,406	64,987
	<hr/>	<hr/>

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

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(CONTINUED)**

**10. Called-up share capital**

	<u>2004</u> £'000	<u>2003</u> £'000
<b>Authorised</b>		
55,000,000 Ordinary shares of £1 each	55,000	55,000
	<hr/>	<hr/>
<b>Allotted, called-up and fully paid</b>		
8,000,844 Ordinary shares of £1 each	8,001	8,001
	<hr/>	<hr/>

**11. Share premium account**

	<u>2004</u> £'000	<u>2003</u> £'000
At 1 January and 31 December	1,101	1,101
	<hr/>	<hr/>

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

	<u>2004</u> £'000	<u>2003</u> £'000
Loss for the financial year	(3,100)	(2,939)
	<hr/>	<hr/>
Net deduction from shareholders' funds	(3,100)	(2,939)
Equity shareholders' funds at 1 January	4,071	7,010
	<hr/>	<hr/>
Equity shareholders' funds at 31 December	971	4,071
	<hr/>	<hr/>

**PROVIDENT YES CAR CREDIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(CONTINUED)**

**13. Related party disclosures**

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS8, '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 £1,459,558,000 (2003: £1,063,252,000). At 31 December 2004 the borrowings amounted to £890,341,000 (2003: £819,417,000). 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.