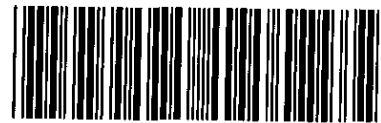


FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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CONTENTS

	<u>Page</u>
Director's report	1
Statement of director's responsibilities	3
Statement of comprehensive income	4
Balance sheet	4
Statement of changes in shareholder's equity	5
Statement of cash flows	5
Statement of accounting policies	6
Financial and capital risk management report	8
Notes to the financial statements	9

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

DIRECTOR'S REPORT

First Tower LP (5) Limited (the 'company') is a wholly-owned subsidiary of Provident Financial plc which, together with its subsidiaries, forms the Provident Financial group (the group'). Provident Financial plc is a public limited company, listed on the London Stock Exchange.

Principal activities and review of business

The company owns an interest as a limited partner in the First Tower Limited Partnership ('the partnership'), an entity which holds a beneficial leasehold interest in office accommodation. The director expects that the present level of business will be sustained for the foreseeable future.

As at 31 December 2020, the company had net liabilities of £1,494 (2019: £1,654). Due to the company's year-end position, its parent undertaking, Provident Financial plc, has confirmed its continued support for the company for at least twelve months from the date of approval of the financial statements. Accordingly the financial statements 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 £160 (2019: loss of £252) has been added to (2019: deducted from) retained losses.

Dividends

The director is unable to recommend the payment of a dividend (2019: £nil).

Director

The director of the company at 31 December 2020 and the date of signing of this report, except where stated, was:

C Davies

Principal risks and uncertainties and financial risk management

The company participates in the group-wide management framework of Provident Financial plc. Details of the group's risk management framework together with the group's principal risks and uncertainties, including the group's response to the changing and challenging operational environment as a result of Covid-19 are set out in the annual report and financial statements of Provident Financial plc.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's director is 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.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

DIRECTOR'S 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 2020.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'C Davies', written over a horizontal line.

C Davies
Director
Bradford
15 September 2021

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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 director:

- properly select and apply accounting policies;
- 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 IFRSs 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2020 £	2019 £
Revenue	1	250	250
Operating costs		(90)	(502)
Profit /(loss) before taxation	2	160	(252)
Tax charge	3	-	-
Profit /(loss) and total comprehensive income /(expense) for the year		160	(252)

All of the above operations relate to continuing operations.

BALANCE SHEET

As at 31 December	Note	2020 £	2019 £
ASSETS			
Cash and balances at central banks		2,116	2,116
Trade and other receivables	7	3,931	3,681
Investments	6	167	167
TOTAL ASSETS		6,214	5,964
LIABILITIES AND EQUITY			
Trade and other payables	8	(7,708)	(7,618)
Total liabilities		(7,708)	(7,618)
Equity attributable to owners of the parent			
Share capital	9	(167)	(167)
Retained losses		1,661	1,821
Total Equity		1,494	1,654
TOTAL EQUITY AND LIABILITIES		(6,214)	(5,964)

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 2020.

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 15 September 2021 and were signed on its behalf by:



C Davies
Director

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Share capital	Retained losses	Total
	£	£	£
At 1 January 2019	167	(1,569)	(1,402)
Loss and total comprehensive expense for the year	-	(252)	(252)
At 31 December 2019	167	(1,821)	(1,654)
At 1 January 2020	167	(1,821)	(1,654)
Profit and total comprehensive income for the year	-	160	160
At 31 December 2020	167	(1,661)	(1,494)

STATEMENT OF CASH FLOWS

There have been no changes to the company's cash and cash equivalents in 2020 or 2019. A statement of cash flows is therefore not presented.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

STATEMENT OF ACCOUNTING POLICIES

General information

The company is a limited liability company limited by shares and incorporated in England. The address of its registered office is Suite 2/04 King James VI Business Centre, Friarton Road, Perth, Scotland, PH2 8DY.

As at 31 December 2020, the company has net liabilities of £1,494 (2019: £1,654). Due to the company's year-end position, its parent undertaking, Provident Financial 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 have been prepared on a going concern basis.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) 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 IFRSs. The financial statements have been prepared on a going concern basis under the historical cost convention. In preparing the financial statements, the director is 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.

Going Concern

In assessing whether the company is a going concern, the directors have therefore considered the ability of the group to continue as a going concern due to the intercompany funding provided by the ultimate parent company Provident Financial plc. The directors of the group have reviewed the group's reforecast, as approved in May 2021, which includes capital and liquidity forecasts, on detailed projections for 2021 to 2023. This assessment has included consideration of the group's principal risks and uncertainties, focusing on capital and liquidity, and the likelihood of these risks materialising into losses.

Given the uncertain outlook as a result of Covid-19, additional stress testing has been performed through modelling a range of macroeconomic scenarios. This initially assumes a severe but plausible downturn, with 'severe' being defined consistently with the group's IFRS 9 'severe' macroeconomic weighting. This assumes that unemployment in the UK reaches a peak unemployment rate of 12%. The group's Total Capital Requirement (TCR) was exceeded in all scenarios modelled both with and without management actions. The point of non-viability has been assessed for both the group and Vanquis Bank which would need to materialise to prevent the directors from adopting the going concern assumption. This is materially higher than any economic forecasts. The group's reforecast does not require market access for capital or liquidity during the going concern period.

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 net liability position at the year end, the immediate and ultimate parent undertaking, Provident Financial 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 accounts.

Principal accounting policies

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

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2020 that would 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.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

STATEMENT OF ACCOUNTING POLICIES

Investment in the partnership

The company's partnership interest is stated at cost less provision for impairment in value.

Income from interest in investments

The company recognises as income a share of the net profits of the partnership for the same year. This share is calculated on an accruals basis in proportion to the company's contribution for the partnership's capital.

Financial instruments

In accordance with IFRS 9, 'Financial instruments', trade and other receivables, trade and other payables and cash and cash equivalents are measured at amortised cost and assessed for impairment. Investments are classified as non-financial assets.

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.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT

First Tower LP (5) 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 and capital risk on a stand-alone company basis.

(a) Liquidity risk

Liquidity risk is the risk that the company will have insufficient liquid resources available to fulfil its operational plans and/or meet its financial obligations as they fall due. The company is funded by means of an intercompany loan from Provident Financial plc.

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 headroom on its committed borrowing facilities to fund growth and contractual maturities for at least the following 12 months. As at 31 December 2020, the group's committed borrowing facilities had a weighted average period to maturity of 1.5 years (2019: 2.2 years) and the headroom on these committed facilities amounted to £79.3m (2019: £69.1m).

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by the home credit business are of short-term duration (typically around one year), whereas the group's borrowings extend over a number of years. The group's current funding strategy seeks to maintain a secure funding structure by maintaining committed facilities to pre-fund the group's liquidity and funding requirements for at least the next 12 months, maintaining access to four main sources of funding comprising: (i) the syndicated revolving bank facility; (ii) external market funding; (iii) securitisation; and (iv) retail deposits. Headroom on the group's committed debt facilities together with available cash was £143.7m at 31 December 2020 together with ongoing access to the retail deposits programme in Vanquis Bank. There are no contractual maturities of the group's facilities until a scheduled maturity of a £65m bond in September 2021.

(b) 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 Provident Financial plc.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2020	2019
	£	£
Income from interest in investments	250	250

2 Profit/(loss) before taxation

The profit/(loss) before taxation for the year is stated after charging:

	2020	2019
	£	£
Auditor's remuneration		
- fees payable to the company's auditor for the audit of the financial statements	-	502

3 Tax charge

The rate of tax charge on the profit / (loss) before taxation for the year is lower than (2019: lower than) the average standard rate of corporation tax in the UK of 19.0% (2019: 19.25%). This can be reconciled as follows:

	2020	2019
	£	£
Profit /(loss) before taxation	160	(252)
Profit /(loss) before taxation multiplied by the average standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	(30)	48
Effects of:		
-current year losses for which no deferred tax asset has been recognised	-	(48)
-tax losses surrendered by group companies for which no payment was made	30	-
Total tax charge	-	-

4 Employee information

The company has no employees (2019: no employees).

5 Director's emoluments

The emoluments of the directors for services to the company during 2020 were £nil (2019: £nil). Directors' emoluments are borne by another subsidiary company and it is not possible to make an accurate apportionment of these services in relation to the company.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Investments

The company owns an interest as a limited partner in the First Tower Limited Partnership ('the partnership'), whose registered offices are at 10, Great George Street, London, W1S 2FD. The entity holds a beneficial leasehold interest in office accommodation.

As a limited partner, the company has contributed 8.325% of the capital of the partnership, an entity which holds a beneficial leasehold interest in office accommodation.

Under partnership law, there is a possibility that the company may, in certain circumstances, be required to *re-contribute to the partnership some or all of the capital previously returned to it by the partnership (in total £8,741,250)*. No liability is expected to arise.

7 Trade and other receivables

	2020	2019
	£	£
Amount due from partnership	3,931	3,681

Amounts due from partnership are unsecured, have no fixed date of repayment and do not accrue interest.

8 Trade and other payables

	2020	2019
	£	£
Amounts owed to parent company	7,708	7,618

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

9 Share capital

	2020		2019	
	Number	£	Number	£
Authorised - deferred ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Authorised - ordinary shares of \$1 each	100	65	100	65
Allotted, called up and fully paid - deferred ordinary shares of £1 each	102	102	102	102
Allotted, called up and fully paid - ordinary shares of \$1 each	100	65	100	65
Total		167		167

10 Related party transactions

	Outstanding balance	
	2020	2019
	£	£
Amounts owed to Provident Financial plc	7,708	7,618

The outstanding balance represents the gross intercompany balance.

FIRST TOWER LP (5) LIMITED
(Company Number SC127062)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Parent undertaking and controlling party

The immediate and 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, No.1 Godwin Street, Bradford, BD1 2SU.