

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

DIRECTORS' REPORT

Provident Financial Holdings Limited (the 'Company') is a wholly owned subsidiary of Vanquis Banking Group plc ('VBG') 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 activities

The Company's principal activity is that of an intermediate holding company. The Company generates income from interest on intercompany loans and dividends received from its investments in subsidiaries.

Results

The Statement of comprehensive income for the year is set out on page 12. The resulting loss after tax for the year of £411.8m (2023: Loss after tax: £183.8m) has been deducted from reserves reflecting the net intercompany interest expense and impairments of a proportion of the Company's investments in subsidiaries. See further details on page 3.

Dividends

The directors made dividend payments on 28 March 2024 of £30.0m and 1 August 2024 of £10.0m to the parent company, VBG, during the year ended 31 December 2024 (2023: £nil).

Directors

The directors of the Company during the year ended 31 December 2024, all of whom were directors for the whole year then ended, and to the date of this report, were:

I McLaughlin
D Watts

Consolidation exemption

The Company is not required to produce consolidated financial statement for its subsidiaries as the immediate and ultimate parent of the Company, VBG, produces consolidated financial statements which includes the Company and its subsidiaries. The annual report and financial statements for VBG are publicly available.

Employee involvement

The Company does not have any employees (2023: no employees).

Climate change

A climate-related financial report is included in the Group's Annual Report and Financial Statements 2024 on pages 22 to 34 which includes:

- Scope 1 and 2 greenhouse gas (GHG) emissions in tonnes of carbon dioxide equivalent;
- GHG emissions which related to material scope 3 categories in tonnes of carbon dioxide equivalent;
- Compliance with four recommendations and eleven recommended disclosures of the Taskforce on Climate related Financial Disclosures ("TCFD");
- A relevant intensity ratio (i.e. kilograms of carbon dioxide equivalent per customer); and
- Information on underlying energy use for 2024 calendar year.

The disclosures are produced in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) policy that has been implemented through the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018.

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DIRECTORS' REPORT (CONTINUED)

This disclosure covers the GHG emissions and energy use for the Group and its operating divisions incorporating the Company. In addition, by including a climate-related financial report in the Group's Annual Report and Financial Statements 2024 that is fully consistent with the four pillars and eleven recommended disclosures of the TCFD, the Group complies with the FCA's Listing Rule 9.8.6R(8) and meets the requirements of the Climate-related Financial Disclosure (CFD) Regulations 2022 and the UK Companies Act (that is, sections 414CB(2A)(a to h)).

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 they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- ii) they have taken all reasonable steps that they ought to have taken as a director to make themselves 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

Going concern

The directors expect that the business will continue in existence for a period of at least twelve months from the date of approval of the financial statements and the Company will be able to meet its liabilities as they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

Due to the Company's net currently liability period-end position, the ultimate parent undertaking, VBG, 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. Further details on the basis of preparation are provided on page 14.

Post balance sheet events

Post balance sheet events are disclosed in note 15.

BY ORDER OF THE BOARD



D Watts
Director
30 April 2025

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

STRATEGIC REPORT

Review of the business

The loss after tax for the year of £411.8m (2023: loss after tax: £183.8m) has been deducted from reserves. The loss for the year reflects: the total income of £(14.6)m (2023: £(36.9)m); the impairment of a proportion of the Company's investment in subsidiaries of £396.8m (2023: £154.8m); and £12.5m (2023: £0.4m) for the impairment of intercompany balances owed by the Company's subsidiaries. The impairment of investments in 2024 was predominantly driven by £382.5m further impairment (2023: £121.2m) of the Vehicle Finance business, £8.7m in U Snoop Limited as latest forecasts showed lower levels of profitability alongside £5.5m in PFG Corporate Services Limited ('PFGCS') following the transfer of its trade and assets to a fellow subsidiary undertaking, Vanquis Bank Limited ('VBL').

Dividend income of £40.0m (2023: £nil) was received in the year from the Company's subsidiaries. Dividend payments of £30.0m on 28 March 2024 and £10.0m on 1 August 2024 were paid in the year to the parent company, VBG (2023: £nil).

Key performance indicators (KPIs)

The Company solely operates to provide finance to fund the Group. For this reason, the Company's directors believe that analysis using key performance indicators for the statutory Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The development, performance and position of the Group as a whole, including the Company, is set out in the annual report and financial statements of VBG.

Principal risks and uncertainties and financial risk management

The Company participates in the Group-wide management framework of VBG. 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 VBG.

Statement regarding section 172 of the Companies Act 2006

The Company acts as the intermediate holding company for VBL, and other group trading divisions which form part of the VBG group of companies. The Company does not have any employees.

The Board met during the reporting period to consider a number of matters, including reports from the CEO and CFO to assess the performance of its investments and received an update on the orderly progress of liquidations of historic CCD entities and any regulatory or legal matters.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	How? (How management and/or directors engaged with and considered our stakeholders)	What? (What were the key topics of engagement and consideration)	Key outcomes and actions (What were the impacts of the engagement and/or consideration?)
Our Customers The Company has no customers	Not applicable	Not applicable	Not applicable
Our shareholder The Company is a wholly owned subsidiary of VBG and is the intermediate holding company for a number of companies within the Group. As such it is of paramount importance that there are good communication flows between the Company and VBG together with an understanding by the Company of the Group's requirements and needs, particularly relating to the declaration of dividends within the Group. Direct and regular engagement with our shareholder ensures that the Company has a clear understanding of its role as part of the Group	- The Group CEO is Chair of the Company Board and the Group CFO is a member - The Company Board meetings took place three times in the reporting period - Financial reporting, strategy and common accounting principles are utilised across the Group to provide alignment - The Group has an aligned corporate governance framework and structure including complementary Delegated Authorities Manuals - The Group has a centralised Corporate Responsibility team and a Group-wide approach to CSR	- Performance of investments - Capitalisation of investments - Financing agreements, including the Euro Medium Term Notes Programme (EMTN) - The progress of the company liquidations in respect of the orderly wind down of the Consumer Credit Division (CCD) - Payment of a final dividend - Update on the group wide project to simplify the corporate structure referred to as '1VBG' - Complaints and the impact of Claims Management Companies and the Judgment on vehicle finance commission disclosures	1VBG has delivered a simplified structure for corporate administration - Noting of the interim and year end performance of the subsidiaries - Support as guarantor for the Group's EMTN programme - Sufficient capitalisation of subsidiaries for regulatory purposes
Our colleagues The Company employs no colleagues	Not applicable	Not applicable	Not applicable

PROVIDENT FINANCIAL HOLDINGS LIMITED
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STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	How? (How management and/or directors engaged with and considered our stakeholders)	What? (What were the key topics of engagement and consideration)	Key outcomes and actions (What were the impacts of the engagement and/or consideration?)
Our communities The Company, as part of the wider Group, supports the Group's purpose and the activities and initiatives which seek to address some of the key factors which, on their own or acting together, may reduce someone's likelihood to be accepted for credit	• The Company's directors sit on the VBG Board, which drives the Group's Foundation that provides a framework for its social impact and community investment programme • The Company's directors participate in the Group Board where Group-wide community matters are discussed • VBG Board oversight of community matters and the approach to external engagement regarding the Group's purpose and role in society	As a member of the Group: • Community contributions and charitable giving • Volunteering • Matched employee fundraising • Relationships with debt charities • Group Social Impact programme	As a member of the Group: • Group approach to external engagement regarding the Groups purpose and role in society • Continued partnership with Plan Numbers, National Numeracy and the Ahead Partnership • The Group's Foundation and resulting social impact and community investment is aligned to the Group's strategy and Purpose and has delivered focussed community investment • Official delivery partner for Bradford UK City of Culture 2025 • The Company's directors directly participated in volunteering as part of the 'Step into Tech' event hosted in Bradford
Our regulators The Company is not directly regulated but supports all interactions with Group regulators as a responsible member of the Group	• The Company's Directors are the VBG's CEO and CFO which ensures alignment on matters of regulatory engagement with the wider Group • VBG Board members and executive management engage proactively with regulators via regular face to face and telephone meetings • Regulatory risk reporting, including horizon scanning, is carried out and reported to the VBG Risk Committee and VBG Board • Regulatory engagement and correspondence is reported to and discussed by the VBG Board • Dialogue and engagement regarding current products, potential products, customer outcomes and digitisation primarily through the Group CRO	As a member of the Group: • Any regulatory engagement focus areas relating to the Company's investments	• That Company is aware of any regulatory activity that might impact the value or performance of its investments • That the interests are aligned with that of the Group

PROVIDENT FINANCIAL HOLDINGS LIMITED
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STRATEGIC REPORT (CONTINUED)

Our Stakeholders and why we engage with them	How? (How management and/or directors engaged with and considered our stakeholders)	What? (What were the key topics of engagement and consideration)	Key outcomes and actions (What were the impacts of the engagement and/or consideration?)
Our suppliers The Company has no suppliers.	Not applicable	Not applicable	Not applicable
Our environment The Group, including the Company, seeks to minimise its environmental impact, to reduce greenhouse gas emissions associated with its business activities, thereby lessening its contribution to issues such as climate change	As a member of the Group: - The Group utilises the Group Environmental Management System (EMS) - The Group-wide environmental matters are overseen by the VBG Board - The Group has had targets accepted by the Science Based Target Initiative	As a member of the Group: - Climate change - Environmentally conscious vehicle manufacture - Funding of electric vehicles - Task Force on Climate Related Financial Disclosures objectives - Compliance with ISO 14001 - Science Based Targets	As a member of the Group: - Continued certification of the Group's environmental management system to ISO14001 - Climate risk management and reporting that is consistent with UK regulatory requirements. - Continued development of the Group's carbon approach moving from carbon offsetting to carbon capture - Had two science-based targets accepted by the Science Based Targets Initiative

In the Group's board reporting template used for decision making, there is a section which presenters have to complete asking them to set out the impact/key matters for the Board to consider in relation to stakeholders: customers; colleagues; suppliers; regulators/government; investors, communities; environment; reputation; and long-term considerations. This draws attention to all the factor's directors need to take into account when considering their duties relating to s.172 Companies Act 2006.

In making the following principal decision, the Board took into account its duties under s172 of the Companies Act 2006:

Subsidiary Capitalisation

The Board met to consider the intercompany balances of its subsidiaries, in particular Moneybarn No.1 Limited ('Moneybarn'), to ensure it continued to be sufficiently capitalised for regulatory purposes. Financial analysis had determined that the capital consumed by growth was higher than had been forecast. The Board considered the proposal and noted the proposal had been based on sound financial forecasts and the ICAAP and would result in Moneybarn having sufficient capital for regulatory purposes until 2026.

With the recent simplification of the Group corporate structure and the closure of CCD the Board considered the opportunity to simplify the intercompany loan structure.

Following due and careful consideration the Board approved the capitalisation and loan simplification agreement confirming that the updated intra-group lending arrangements would promote the success of the Company for the benefit of its member.

Customers

The Company does not have any direct customers of its own and noted that there was no customer or conduct risks associated with the decision.

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STRATEGIC REPORT (CONTINUED)

Colleagues

The Company does not directly employ any colleagues and noted that there was no colleague risks or impact arising from the decision.

Those in a business relationship with the Group

The Company does not have a direct relationship with any suppliers.

Regulators / Government

The Company is not regulated, but the Board noted that the subsidiary was a regulated business and was required to meet its regulatory capital requirements which the decision facilitated.

Investors

The Board noted that its sole shareholder VBG had proposed the arrangements which were confirmed as being beneficial to the Group as a whole.

Community

The Board noted that there was no community risks or impact arising from the decision.

Environment

The Board noted that there were no environmental risks or impact arising from the decision.

Reputation

The Board noted that there was reputational risk associated with the decision should the subsidiary funding arrangements not be completed satisfactorily and in line with regulatory requirements and resulted in any financial harm or failure of the subsidiary.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D Watts', with a long horizontal stroke extending to the right.

D Watts
Director
30 April 2025

PROVIDENT FINANCIAL HOLDINGS LIMITED
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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 United Kingdom adopted international accounting standards. 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 and apply suitable 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENT FINANCIAL HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Provident Financial Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the material accounting policy information; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENT FINANCIAL HOLDINGS LIMITED (CONTNUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud and non-compliance with laws and regulations in the following areas, our specific procedures performed to address it are described below:

- the valuation of investments in subsidiaries, as part of our response we:
 - gained an understanding of the governance and oversight process in place in relation to the budget approval process and forecasting methodology;
 - reviewed the key assumptions used within the cash flow forecasts for appropriateness and compared the cash flow forecasts used across other areas of the financial statements;
 - engaged with our internal valuation specialists to determine a reasonable discount rate and compared this against management's calculations; and
 - performed independent research to assess whether the terminal growth rate used within management's model is reasonable.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENT FINANCIAL HOLDINGS LIMITED (CONTNUED)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the strategic report and the directors' report have 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 strategic report or the directors' report.

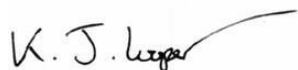
Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Kieren Cooper (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
30 April 2025

PROVIDENT FINANCIAL HOLDINGS LIMITED
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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2024 £m	2023 £m
Interest income		20.1	40.2
Dividend income		40.0	-
Total revenue	1	60.1	40.2
Finance costs	2	(74.7)	(77.1)
Total income		(14.6)	(36.9)
Operating costs		-	(0.1)
Exceptional items		(411.0)	(155.5)
Loss before taxation	3	(425.6)	(192.5)
Tax credit	4	13.8	8.7
Loss and total comprehensive expense for the year		(411.8)	(183.8)

All of the above operations relate to continuing operations.

There is no other comprehensive income/(expense) for the period.

BALANCE SHEET

	Note	As at 31 December 2024 £m	As at 31 December 2023 £m
ASSETS			
Investments in subsidiaries	5	1,174.5	1,538.8
Trade and other receivables	6	84.4	315.3
Deferred tax asset	7	16.7	-
TOTAL ASSETS		1,275.6	1,854.1
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	8	736.4	870.6
Total liabilities		736.4	870.6
Equity attributable to owners of the parent			
Share capital	10	34.4	34.4
Share premium	10	7.5	-
Retained earnings		497.3	949.1
Total Equity		539.2	983.5
TOTAL LIABILITIES AND EQUITY		1,275.6	1,854.1

The financial statements on pages 12 to 27 were approved and authorised for issue by the board of directors on 30 April 2025 and were signed on its behalf by:



D Watts
Director

PROVIDENT FINANCIAL HOLDINGS LIMITED
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £m	Share premium £m	Retained earnings £m	Total £m
Balance at 1 January 2023	-	-	1,132.9	1,132.9
Loss and total comprehensive expense for the period	-	-	(183.8)	(183.8)
Issue of Share Capital	34.4	-	-	34.4
Balance at 31 December 2023 and 1 January 2024	34.4	-	949.1	983.5
Loss and total comprehensive expense for the period	-	-	(411.8)	(411.8)
Issue of share capital	-	7.5	-	7.5
Dividends Paid	-	-	(40.0)	(40.0)
Balance at 31 December 2024	34.4	7.5	497.3	539.2

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2024 £m	2023 £m
Cash flow from operating activities			
Cash generated from operations	12	-	-
Net cash generated from operating activities		-	-
Cash flows from investing activities			
Dividend received from subsidiaries		40.0	-
Net cash generated from investing activities		40.0	-
Cash flow from financing activities			
Dividend paid to parent		(40.0)	-
Net cash used in financing activities		(40.0)	-
Net change in cash, cash equivalents and overdrafts		-	-
Cash, cash equivalents and overdrafts at end of period		-	-
Cash, cash equivalents and overdrafts at end of period comprise:			
Cash at bank and in hand		-	-
Total cash and cash equivalents		-	-

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

STATEMENT OF ACCOUNTING POLICIES

General information

The Company is a limited liability company, limited by shares and incorporated and domiciled in England. The address of its registered office is No.1 Godwin Street, Bradford, West Yorkshire, BD1 2SU.

The principal activity of the Company is that of a holding company.

Basis of preparation

The financial statements cover the year ended 31 December 2024.

The financial statements are prepared in accordance with International Accounting Standards as adopted by the United Kingdom (UK), International Financial Reporting Standards (IFRSs) and the Companies Act 2006.

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared on a going concern basis under the historical cost convention.

Going Concern

In assessing whether the Company is a going concern, the directors have reviewed the Group's corporate plan, as approved in December 2024, in doing so, the Board reviewed detailed forecasts for the three-year period to December 2027 and also considered less detailed forecasts for 2028 and 2029. 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 and the going concern assessment covers a period of 12 months from the account's approval date.

The directors have also reviewed the Group's stress testing projections which are based on a severe scenario. The stress test scenario envisages that the UK economy enters a period of negative growth with UK unemployment rate reaching 8.1%. The outcome of the pending Supreme Court hearing on Vehicle Finance Commission scheduled for 1-3 April 2025 remains uncertain. A possible scenario has been considered as part of the stress testing. This shows that the Group can 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 Company 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 period end, the ultimate parent undertaking, VBG, 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 have been consistently applied to all the periods presented.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

The impact of new standards not yet effective and not adopted by the Company from 1 January 2025

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Company anticipates that the application of these amendments may have an impact on the presentation of its consolidated financial statements in future periods.

There are no other new standards not yet effective and not adopted by the Company from 1 January 2025 which are expected to have a material impact on the Company.

Consolidation exemption

The Company is not required to produce consolidated financial statement for its subsidiaries as the immediate and ultimate parent of the Company, VBG, produces consolidated financial statements which includes the Company and its subsidiaries. The annual report and financial statements for VBG are publicly available.

Revenue

Revenue comprises interest and dividend income earned from subsidiaries.

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 charge represents 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 income statement 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 is also provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company, and it is probable that the temporary difference will not reverse in the future.

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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

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. 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.

Investments

The Company's investments in subsidiaries are stated at cost less provisions for impairment where required. Impairment provisions reflect the shortfall between the carrying value of the investment with the higher of: (i) fair value less costs to sell; and (ii) value in use of the subsidiary.

Dividends

Dividend distributions to the Company's shareholder are recognised in the financial statements when paid.

Dividend income from investments is recognised when the shareholder's rights to receive payment has been established, provided that it is probable that the economic benefits will flow, and the amount of revenue can be measured reliably.

Finance costs

Finance costs comprise the interest on intra-group loan arrangements and are recognised on an effective interest rate basis.

Finance income

Finance income comprises interest income earned on intra-group loan arrangements and are recognised on an effective interest rate basis.

Intercompany

Expected credit losses on Company intercompany balances are assessed at each balance sheet date. The probability of default (PD) and loss given default (LGD) are determined for each loan based on the fellow Group subsidiary undertaking's available funding and cash flow forecasts.

Critical accounting judgements and key sources of estimation

The Company reviews the carrying value of its investments in subsidiaries at each balance sheet date. The carrying value is assessed against its value in use cash flow forecast. This involves estimations to be taken by management in relation to the future cash flows of the investment and the rates used to discount these cash flows. Further details into the inputs used in the impairment assessment are provided in Note 5 of the financial statements.

The Company believes that there is a key source of estimation uncertainty in relation to the estimates taken in the calculation of the future cash flow forecast used to determine the value in use of its investments in its subsidiary, Dunston Group Limited ('DGL'), when determining any potential impairments.

The Company's investment in DGL is assessed through calculating the value in use of its main indirect trading subsidiary, Moneybarn. After assessing the value in use of Moneybarn in the current year management have determined that further impairment of £382.5m (2023: £121.2m) should be recognised. The impairment is a result of lower profitability of the business, partly a result of the decisions made in 2024 to moderate lending growth whilst the Groups new lending platform is developed.

The value in use is sensitive to movements in the discount rate and cash flows used as this can have a significant effect on the valuation and can be subject to fluctuations in external market rates and economic conditions beyond management's control. Further sensitivity analysis on the investments has therefore been provided in Note 5.

The Company's investments in VBL have a value in use significantly in excess of the carrying value of the investment and therefore management do not consider there to be any key estimation uncertainty in relation to the estimates taken in the value in use assessment performed for this investment at the balance sheet date.

FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT

The Group's activities expose it to a variety of financial risks, which can be categorised as credit risk, liquidity risk and market risk. The objective of the Group's Risk Management Framework is to identify and assess the risks facing the Group and to minimise the potential adverse effects of these risks on the Group's financial performance. Financial risk management is overseen by the Group Risk Committee.

(a) Credit risk

Credit risk is the risk that the Company will suffer loss in the event of a default by a bank counterparty or from amounts owed by fellow subsidiary undertakings. A default occurs when the bank or fellow subsidiary fails to honour repayments as they fall due. The Company's maximum exposure to credit risk on bank counterparties as at 31 December 2024 was £nil (2023: £nil). The maximum exposure to credit risk on amounts owed by fellow subsidiary undertakings is the total amounts owed to the company by fellow subsidiary undertakings, which is set out in note 6 within the notes to the financial statements.

Counterparty credit risk arises as a result of cash deposits and collateral placed with banks and central governments and derivative contracts that are currently assets.

Counterparty credit risk is managed by the Group's Assets and Liabilities Committee (ALCO) and is governed by a Board-approved Counterparty Policy which ensures that the Group's cash deposits, and derivative financial instruments are only made with high-quality counterparties with the level of permitted exposure to a counterparty firmly linked to the strength of its credit rating. In addition, there is a maximum exposure limit for all institutions, regardless of credit rating. This is linked to the Group's regulatory capital base in line with the Group's regulatory reporting requirements on large exposures to the Prudential Regulation Authority (PRA).

(b) 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 VBG.

Liquidity risk is managed by the Group's centralised treasury department through daily monitoring of expected cash flows in accordance with a Board-approved Internal Liquidity Adequacy Assessment Process (ILAAP) and Group Funding and Liquidity Policy, which is designed to ensure that the Group is able to continue to fund the growth of the business. This process is monitored regularly by the Group (and VBL) ALCO. ALCO monitors liquidity risk metrics within limits set by the Board, including meeting regulatory requirements.

The Group's risk appetite and Funding and Liquidity Policy are designed to ensure that the Group is able to continue to fund the growth of the business. The Group maintains liquidity to fund growth and meet contractual maturities in its retail deposit, securitisation and bond funding.

VBL is a PRA-regulated institution. It is required to maintain a liquid assets buffer, and other liquid resources, based upon daily stress tests detailed in the Group and Bank ILAAP, in order to ensure that it has sufficient liquid resources to fulfil its operational plans and meet its financial obligations as they fall due. It also maintains an operational buffer over such requirements in line with its risk appetite.

Both the Group and VBL are required to meet the liquidity coverage ratio (LCR). The LCR requires institutions to match net liquidity outflows during a 30-day period with a buffer of 'high-quality' liquid assets (HQLA). The Group and VBL have developed systems and controls to monitor and forecast the LCR and have been submitting regulatory reports on the ratio since 1 January 2014.

As at 31 December 2024, the Group's committed borrowing facilities (including retail deposits) had a weighted average period to maturity of 1.3 years (2023: 1.8 years).

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 VBG.

FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT (CONTINUED)

(c) Market risk

Market risk is the risk of financial loss due to adverse market movements leading to a reduction in the Company's earnings or overall value. The Company's primary market risk exposure is to changes in interest rates (see Interest Rate Risk below).

The Group's Corporate Policies do not permit any subsidiary to take trading positions and no speculative activities are undertaken.

Interest rate risk

Interest rate risk is the current or prospective risk to capital or earnings arising from adverse movements 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 and thus the Company's cost of borrowing.

The principal market-set interest rate used by the Group's and Bank'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's exposure to movements in interest rates is managed by the ALCO and is governed by a Board-approved Market Risk Policy which forms part of the Group's treasury policies. Interest rates in the UK, which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of the UK Government and central bank, as well as UK and international political and economic conditions.

The Group seeks to limit its net exposure to changes in interest rates. This is achieved through a combination of diversified funding sources, including issuing fixed rate debt, and by the use of derivative financial instruments such as interest rate swaps.

Further details of the interest rate risk management are detailed within the annual report and financial statements of VBG.

(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 VBG.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2024 £m	2023 £m
Interest received from other Group companies	20.1	40.2
Dividend income received	40.0	-
Total revenue	60.1	40.2

2 Finance costs

	2024 £m	2023 £m
Interest payable to other Group companies	74.7	77.1
Total finance costs	74.7	77.1

3 Loss before taxation

	2024 £m	2023 £m
Loss before taxation is stated after charging/(crediting):		
Snoop post-acquisition costs	1.7	-
Impairment/Write off of investment in subsidiaries (note 5)	396.8	155.1
Impairment of loans to subsidiary companies (note 6)	12.5	0.4
Waiver of loan to subsidiary company	-	250.9
Release of impairment provision held against loan to subsidiary (note 6)	-	(250.9)

On 4 September 2023, as part of the pre-liquidation steps in relation to placing the CCD companies into Members' voluntary liquidation, the company waived its:

- £250.9m loan to Provident Personal Credit Limited and released its related impairment provision of £250.9m; and
- £98m loan to Provident Financial Management Services Limited (PFMSL), which was recognised at its carrying value of £1. The loan was assigned by PFMSL from Provident Personal Credit Limited to the Company in 2022 and had a carrying value of £1 as it was transferred at an amount considered to be the fair value of the loan.

Auditor's remuneration to Deloitte LLP in respect of the audit of the financial statements was £0.1m (2023: £0.1m). Auditor's remuneration to Deloitte LLP in respect of other services was £nil (2023: £nil).

The Company has no employees. The emoluments of the directors for services to the company during 2024 were £nil (2023: £nil). The emoluments of the directors are borne by the parent company.

4 Taxation

	2024 £m	2023 £m
Tax credit in the statement of comprehensive income		
Current tax		
- UK	(2.9)	8.7
Deferred tax credit (note 7)	16.7	-
Total current tax credit	13.8	8.7

In 2021, changes were enacted to increase the mainstream corporation tax rate from 19% to 25% with effect from 1 April 2023. Deferred tax balances as at 31 December 2024 and 31 December 2023 and movements in deferred tax balances during the year have been measured at the standard corporation tax rate in the UK of 25% (2023: n/a).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Taxation (continued)

The rate of tax credit (2023: tax credit) on the loss (2023: loss) before taxation for the year is higher than (2023: lower than) the average standard rate of corporation tax in the UK of 25% (2023: 23.5%). This can be reconciled as follows:

	2024 £m	2023 £m
Loss before taxation	(425.6)	(192.5)
Loss before taxation multiplied by the average standard rate of corporation tax in the UK of 25% (2023: 23.5%):	106.4	45.2
Effect of:		
- adjustment in respect of non-taxable dividends	10.0	-
- adjustment in respect of non-deductible impairment of subsidiary investments	(99.2)	(36.4)
- adjustment in respect of non-deductible impairment of subsidiary company loans	(3.1)	(0.1)
- non-taxable release of subsidiary company loan impairment provision	-	59.0
- non-deductible waiver of loan to subsidiary company	-	(59.0)
- expenses not deductible for tax purposes	(0.5)	-
- adjustment in respect of prior years	0.2	-
Total tax credit	13.8	8.7

5 Investment in subsidiaries

	2024 £m	2023 £m
Cost		
At 1 January	1,808.3	1,746.6
Additions (note (a))	32.5	62.0
Write off (note (c))	(147.4)	(0.3)
At 31 December	1,693.4	1,808.3
Accumulated impairment		
At 1 January	(269.5)	(114.7)
Charged to the statement of comprehensive income (note (b))	(396.8)	(154.8)
Write off (note (c))	147.4	-
At 31 December	(518.9)	(269.5)
Carrying value of investments at 31 December	1,174.5	1,538.8

(a) Investment in subsidiaries - Additions

Included within the £32.5m (2023: £62.0m) of additions is:

- the purchase of an additional 50 'B' Ordinary shares of 1p each in its subsidiary undertaking, DGL for a price of £0.5m per share on 24 September 2024. The purchase price of these shares (£25.0m) has been recognised as an addition to its investment in DGL. DGL remains a 100% owned subsidiary of the Company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Investment in subsidiaries (continued)

(a) *Investment in subsidiaries – Additions (continued)*

- the purchase of an additional Ordinary share of £1 in its subsidiary undertaking, PFGCS for a price of £7.5m on 13 December 2024. The purchase price of this share has been recognised as an addition to its investment in PFGCS. PFGCS remains a 100% owned subsidiary of the Company.

2023

- the purchase of an additional 40 'B' Ordinary shares of 1p each in its subsidiary undertaking, DGL for a price of £0.5m per share on 3 October 2023. The purchase price of these shares has been recognised as an addition to its investment in DGL. DGL remains a 100% owned subsidiary of the Company.
- the subscription of a further £33.3m of shares in one of the Company's subsidiaries, Provident Financial Management Services Limited (PFMSL), on 4 September 2023 as part of the pre-liquidation steps in relation to placing the CCD companies into members' voluntary liquidation, which was then subsequently impaired. PFMSL remained a 100% owned subsidiary of the Company.
- the acquisition by the Company of the entire share capital of Usnoop Limited, which trades as Snoop, on 7 August 2023. Snoop is a money-saving financial technology company with customers across the UK. The consideration paid of £8.7m has been included within investments in subsidiaries in the year.

The fair value of the consideration at the acquisition date consisted of:

- i) £3.1m of cash consideration, added to the intercompany loan between the Company and VBG;
- ii) 2,588,253 of ordinary shares in the ultimate parent company, VBG plc with a market value of £3.3m, this has been left outstanding on amounts payable to the ultimate parent; and
- iii) £2.3m of contingent consideration dependent on the performance of the acquiree by the end of 2026. The amount of contingent consideration has been determined by an independent third party using a Monte Carlo simulation for determining the future revenues of the acquiree. The range of outcomes in the contingent consideration payable is not considered to be materially different.

(b) *Investment in subsidiaries – Impairment*

The Company has recognised an impairment loss in the year of £396.8m (2023: £154.8m) in relation to its investments in DGL of £382.5m (2023: £121.2m), U-Snoop Limited of £8.7m (2023: £nil), PFGCS of £5.5m (2023: £nil), Cheque Exchange Limited of £0.1m (2023: £0.4m) and PFMSL of £nil (2023: £33.2m).

The Company reviews the carrying value of its investments in subsidiaries at each balance sheet date. The carrying value is assessed against its value in use cash flow forecast.

IAS 36 requires the future value in use to be assessed over the useful remaining life of the asset. Board-approved budgets are projected out for a minimum of five years from the balance sheet date, these are then discounted back to a net present value based on a credit risk-adjusted discount rate of 12.5-13.5% (2023: 11%). Subsequent to this, the cash flows are projected into perpetuity.

Any difference between the carrying value of the investments and either the net assets or cash flow forecasts are booked as an impairment charge in the income statement. The impairment provision is subsequently released when the assets increase, or the cash flow forecasts support a higher valuation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Investment in subsidiaries (continued)

(b) Investment in subsidiaries – Impairment (continued)

The Company's investment in DGL is assessed through calculating the value in use of its main indirect trading subsidiary, Moneybarn. The value in use of DGL is £45.4m, therefore management have recognised further impairment in the year of £382.5m. The value in use of the subsidiary has reduced on the prior year primarily as a result of a material reduction in the cash flows of the subsidiary.

The Company's investment in U-Snoop Limited has been assessed through calculating the value in use, which indicated full impairment of the investment was required. Management have recognised impairment in the year of £8.7m.

The Company's investment in PFGCS Limited has been assessed as part of the steps undertaken to transfer its trade and asset to a fellow subsidiary undertaking, VBL. This indicated impairment of the investment was required and management have recognised impairment in the year of £5.5m.

Either movement in isolation or in aggregate could lead to an impairment, however it is reasonably possible to assume that favourable movements in other assumptions could offset this. However, despite the sensitivity of the discount rate input in the value in use of the investment, management consider that the estimates taken in the value in use model are reasonable and conservative based on their best estimates and knowledge of the business and as such consider that no further impairment exists.

The Company's investment in VBL is significantly in excess of the carrying value of the investment, and therefore management do not consider that any reasonably possible scenarios effecting the value in use of this investment would result in any impairment to its value in use.

In the prior year, following the pre-liquidation steps of placing the CCD companies into members' voluntary liquidation, the net asset value and value in use of PFMSL was £nil and therefore a further impairment provision of £33.2m was recognised.

(c) Investment in subsidiaries – Write off

The liquidation of PFMSL was completed and the company dissolved on 5 October 2024. The investment in PFMSL and associated impairment was therefore written off.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Trade and other receivables

		2024	2023
	Note	£m	£m
Amounts owed by subsidiary undertakings	11	84.4	306.6
Corporation tax receivable		-	8.7
Total trade and other receivables		84.4	315.3

There are no amounts past due in respect of trade and other receivables.

Amounts owed by subsidiary undertakings are unsecured, repayable on demand or within one year and generally accrue interest at rates linked to the monthly weighted average cost of funds of the ultimate parent undertaking plus a margin.

The amounts due have been assessed for impairment under IFRS 9.

Performing loans are categorised as stage 1 against which no provision would be recognised as the counterparty would have sufficient expected cash flows to service their obligations and sufficient realisable net assets to sell in the event of a default. Non-performing loans would have either little or no expected cash flow and are recognised at the realisable value of net assets. A provision would be recognised against these loans. The Company has assessed the estimated credit losses and as a result an impairment provision of £12.9m (2023: £0.4m) is held against amounts owed from subsidiaries due in less than one year.

On 4 September 2023 as part of the pre-liquidation steps in relation to placing the CCD companies into members' voluntary liquidation, the Company waived the total amount owed of £250.9m from Provident Personal Credit Limited. Prior to this an impairment provision was held against the full balance of this loan, this impairment provision was released on waiver of the loan.

7 Deferred tax

Deferred tax is a future tax liability or asset resulting from temporary differences between the accounting value of assets and liabilities and their value for tax purposes or from tax losses carried forward at the reporting date.

Deferred tax arises primarily in respect of tax losses carried forward, for offset against future group profits.

Deferred tax balances as at 31 December 2024 and movements in deferred tax balances during the year have been measured at the standard corporation tax rate in the UK of 25% (2023: n/a).

	2024	2023
Asset	£m	£m
At 1 January	-	-
Credit to the statement of comprehensive income (note 4)	16.7	-
Total at 31 December	16.7	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Deferred tax (continued)

An analysis of the deferred tax asset for the company is set out below:

	2024		2023	
	Losses £m	Total £m	Losses £m	Total £m
At 1 January	-	-	-	-
Credit to the statement of comprehensive income	16.7	16.7	-	-
At 31 December	16.7	16.7	-	-

At 31 December 2024, there are no (2023: no) deductible temporary differences or carried forward tax losses in Provident Financial Holdings Limited for which a deferred tax asset is not provided.

8 Trade and other payables

	Note	2024 £m	2023 £m
Amounts owed to subsidiary undertakings	11	3.3	216.3
Amounts owed to ultimate parent company	11	729.2	651.7
Other payables		3.8	2.5
Accruals		0.1	0.1
Total trade and other payables		736.4	870.6

9 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 IFRS 9. Assets and liabilities outside the scope of IFRS 9 are shown within non-financial assets/liabilities:

	2024		
	Amortised cost £m	Non-financial assets/liabilities £m	Total £m
Assets			
Trade and other receivables	84.4	-	84.4
Investment in subsidiaries	-	1,174.5	1,174.5
Deferred tax asset	-	16.7	16.7
Total assets	84.4	1,191.2	1,275.6
Liabilities			
Trade and other payables	732.6	3.8	736.4
Total liabilities	732.6	3.8	736.4

PROVIDENT FINANCIAL HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial instruments (continued)

			2023
	Amortised cost £m	Non-financial assets/liabilities £m	Total £m
Assets			
Trade and other receivables	306.6	8.7	315.3
Investment in subsidiaries	-	1,538.8	1,538.8
Total assets	306.6	1,547.5	1,854.1
Liabilities			
Trade and other payables	868.1	2.5	870.6
Total liabilities	868.1	2.5	870.6

10 Share capital

	Number	£
Issued and fully paid		
Ordinary shares of £1 each	34,374,878	34,374,878
As at period ended 31 December 2023 and 1 January 2024	34,374,878	34,374,878
- Issued in the year	1	1
As at period ended 31 December 2024	34,374,879	34,374,879

On 13 December 2024 one ordinary share was issued for consideration of £7,500,000 to the Company resulting in £7,499,999 being recorded as Share Premium.

On 4 September 2023 as part of the pre-liquidation steps in relation to placing the CCD companies into members' voluntary liquidation, the Company issued 34,374,871 ordinary shares with a nominal value of £1 per share to the parent Company, VBG.

There are no shares issued and not fully paid at the end of the period.

PROVIDENT FINANCIAL HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Related Party transactions

Details of the transactions between the Company and other Group undertakings, which comprise interest charges or credits on intra-group balances, along with impairment adjustments made on any balances outstanding at 31 December 2024 are as set out below:

	2024		
	Interest income	Interest charge	Outstanding balance
	£m	£m	£m
Vanquis Banking Group plc	4.9	69.8	(729.2)
Moneybarn	12.5	4.9	65.2
Vanquis Bank Limited	-	-	(3.3)
PFG Corporate Services Limited	1.8	-	19.4
USnoop Limited	0.9	-	12.5
Total	20.1	74.7	(635.4)

	2023		
	Interest income	Interest charge	Outstanding balance
	£m	£m	£m
Vanquis Banking Group plc	10.9	66.2	(651.7)
Moneybarn	27.5	10.9	62.0
Vanquis Bank Limited	-	-	(5.2)
PFG Corporate Services Limited	1.7	-	28.6
USnoop Limited	0.1	-	5.3
Total	40.2	77.1	(561.0)

The outstanding balances are gross of an impairment provision for USnoop Limited of £12.5m (2023: £nil) and Moneybarn of £0.4m (2023: £0.4m).

The Company received dividend income of £40.0m from VBL in the year (2023: £nil). The company declared a dividend of £40.0m to VBG (2023: £nil).

The directors believe that all related party transactions are on an arm's length basis.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Reconciliation of loss after tax to cash generated from operations

	2024 £m	2023 £m
Loss after tax	(411.8)	(183.8)
Adjusted for:		
- tax credit	(13.8)	(8.7)
- interest income	(20.1)	(40.2)
- dividends received	(40.0)	-
- interest paid	74.7	77.1
- waiver of loan to subsidiary company	-	250.9
- release of impairment provision held against loan to subsidiary	-	(250.9)
- impairment and write off of investments	396.8	155.1
- impairment in loans to subsidiary companies	12.5	0.4
Changes in operating assets and liabilities:		
- trade and other receivables	-	-
- trade and other payables	1.7	0.1
- Increase in intercompany funding	198.2	273.1
- Repayment of intercompany funding	(198.2)	(273.1)
Cash generated from operating activities	-	-

13 Contingent liabilities

The Company is 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 £nil (2023: £nil). At 31 December 2024, the borrowings amounted to £nil (2023: £nil).

14 Parent undertaking and controlling party

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

15 Post balance sheet events

On 13 March 2025 a dividend of £20.0m was declared by Vanquis Bank Limited, a subsidiary of the Company. On 30 April 2025 a dividend of £20.0m, payable to VBG, was declared by the directors.