

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Statement of comprehensive income	3
Balance sheet	3
Statement of changes in shareholder's equity	4
Statement of cash flows	4
Statement of accounting policies	5
Financial and capital risk management report	7
Notes to the financial statements	8

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

DIRECTORS' REPORT

Greenwood Personal Credit 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 immediate parent of the company is Provident Financial Management Services Limited. Provident Financial plc is a public limited company, listed on the London Stock Exchange.

Principal activity

The principal activity of the company was to provide unsecured home credit loans to customers in the UK. The company ceased trading from 1 April 2014 and the directors do not expect to trade in the foreseeable future.

Results

The statement of comprehensive income for the year is set out on page 3. The loss for the year of £1,000 (2019: profit of £1,000) has been deducted from/added to retained earnings.

Directors

The directors of the company during the year ended 31 December 2020, all of whom were directors for the whole year then ended and to the date of this report, except where stated, were:

H S Paton	Chairman	(Appointed 14 September 2020)
C Davies		(Appointed 4 December 2020)
N L M Moore		(Appointed 12 January 2021)
C D Gillespie		(Resigned 28 August 2020)
E C Thornhill		(Resigned 18 November 2020)

Principal risks and uncertainties and financial risk management

The company participates in the group-wide risk management framework of Provident Financial plc. Details of the group's risk management framework together with the group's principal risks and uncertainties are set out in the annual report and financial statements of Provident Financial plc.

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.

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



C Davies
Director
Bradford
15 September 2021

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that the directors:

- properly select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in 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.

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2020 £'000	2019 £'000
Finance income	1	1	3
Administrative costs		(2)	(2)
(Loss)/profit before taxation		(1)	1
Tax charge	2	-	-
(Loss)/profit and total comprehensive (expense)/income for the year attributable to the equity shareholder		(1)	1

All of the above operations relate to continuing operations.

BALANCE SHEET

As at 31 December	Note	2020 £'000	2019 £'000
ASSETS			
Trade and other receivables	6	367	370
Total assets		367	370
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	7	-	2
Total liabilities		-	2
Equity attributable to the shareholder			
Share capital	8	17	17
Share premium account		1	1
Retained earnings		349	350
Total equity		367	368
Total liabilities and equity		367	370

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 3 to 11 were approved and authorised for issue by the board of directors on 15 September 2021 and signed on its behalf by:



C Davies
Director

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended 31 December	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2019	17	1	349	367
Profit and total comprehensive income for the year	-	-	1	1
At 31 December 2019	17	1	350	368
At 1 January 2020	17	1	350	368
Loss and total comprehensive expense for the year	-	-	(1)	(1)
At 31 December 2020	17	1	349	367

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Cash used in operations	11	(1)	(3)
Finance income received		1	3
Net cash generated from operating activities		-	-
Net increase in cash, cash equivalents and overdrafts		-	-
Cash, cash equivalents and overdrafts at beginning of year		-	-
Cash, cash equivalents and overdrafts at end of year		-	-

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STATEMENT OF ACCOUNTING POLICIES

General information

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

Basis of preparation

The financial statements are prepared in accordance with IFRSs adopted for use in the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. In preparing the financial statements, the directors are required to use certain critical accounting estimates and are required to exercise judgement in the application of the company's accounting policies.

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. 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 years presented.

Finance income

Finance income comprises interest income earned from the ultimate parent undertaking on intercompany loans.

Dividends

Dividend distributions to the company's shareholder are recognised in the financial statements as follows:

Final dividend: when approved by the company's shareholders.

Interim dividend: when approved by the company's shareholders.

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.

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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 statement of comprehensive income 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 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.

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.

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(Company Number 00125150)

FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT

Greenwood Personal Credit 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 on a stand-alone company basis.

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.

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 £79.4m (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.

A maturity analysis of the undiscounted contractual cash flows of the group's bank and other borrowings, including derivative financial instruments settled on a net and gross basis, is set out in the annual report and financial statements of Provident Financial plc.

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

NOTES TO THE FINANCIAL STATEMENTS

1 Finance income

	2020	2019
	£'000	£'000
Interest receivable from ultimate parent undertaking	1	3

2 Tax charge

	2020	2019
	£'000	£'000
Tax charge in the statement of comprehensive income	-	-
Current tax	-	-
Total tax charge	-	-

The rate of tax on the profit before taxation for the year is in line with (2019: in line with) the average standard rate of corporation tax in the UK of 19% (2019: 19%). This can be reconciled as follows:

	2020	2019
	£'000	£'000
(Loss)/profit before taxation	(1)	1
(Loss)/profit before taxation multiplied by the average standard rate of corporation tax in the UK of 19% (2019: 19%)	-	-
Total tax charge	-	-

3 Directors' remuneration

The emoluments of the directors are paid by the immediate parent company, Provident Financial Management Services Limited, or by the ultimate parent undertaking Provident Financial plc, both of which makes no recharge to the company (2019: no recharge). The directors of the company are also directors of fellow subsidiary companies and it is not possible to make an accurate apportionment of their services in relation to the company. The emoluments of these directors are disclosed in the financial statements of Provident Financial Management Services Limited or Provident Financial plc.

During the year no directors exercised share awards under share incentive schemes (2019: none).

4 Employee information

The company had no employees during 2020 (2019: no employees). This information excludes directors, whose remuneration is paid by Provident Financial Management Services Limited or Provident Financial plc.

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(Company Number 00125150)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 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:

	2020	
	Amortised cost £'000	Total £'000
Assets		
Trade and other receivables	367	367
Total assets	367	367
Liabilities		
Trade and other payables	-	-
Total liabilities	-	-
	2019	
	Amortised cost £'000	Total £'000
Assets		
Trade and other receivables	370	370
Total assets	370	370
Liabilities		
Trade and other payables	(2)	(2)
Total liabilities	(2)	(2)

The carrying value for all financial assets represents the maximum exposure to credit risk.

6 Trade and other receivables

	2020 £'000	2019 £'000
Amounts owed by ultimate parent undertaking	367	370
Total	367	370

Amounts owed by ultimate parent undertaking are unsecured, repayable on demand or within one year and generally accrue interest at rates linked to LIBOR.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above. There is no collateral held in respect of trade and other receivables (2019: £nil).

The fair value of trade and other receivables equates to their book value.

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Trade and other payables

	2020	2019
	£'000	£'000
Amounts owed to fellow subsidiary undertaking	-	2
Total	-	2

The fair value of trade and other payables equates to their book value (2019: fair value equated to book value). The amounts owed to the fellow subsidiary undertaking is unsecured, due for repayment in less than one year and generally accrue interest at rates linked to LIBOR.

8 Share capital

	2020	2019
	Issued and fully paid	Issued and fully paid
Ordinary shares of 50p each - £'000	17	17
- number (000s)	34	34

There are no shares issued and not fully paid at the end of the year (2019: no shares).

9 Related party transactions

Details of the transactions between the company and other group undertakings, which comprise management recharges and interest charges on intra-group balances, along with any balances outstanding at 31 December are set out below:

	2020		2019	
	Interest credit	Outstanding balance	Interest credit	Outstanding balance
	£'000	£'000	£'000	£'000
Ultimate parent undertaking	(1)	367	(3)	370
Fellow subsidiary undertaking	-	-	-	(2)
Total	(1)	367	(3)	368

The outstanding balance represents the gross intercompany balance receivable by the company.

10 Contingent liabilities

The company was removed as 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 on 12 March 2021.

GREENWOOD PERSONAL CREDIT LIMITED
(Company Number 00125150)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Reconciliation of profit after tax to cash used in operations

	Note	2020 £'000	2019 £'000
(Loss)/profit after taxation		(1)	1
Adjusted for:			
- finance income	1	(1)	(3)
Changes in operating assets and liabilities:			
- trade and other receivables		3	(3)
- trade and other payables		(2)	2
Cash used in operations		(1)	(3)

12 Parent undertaking and controlling party

The immediate parent undertaking is Provident Financial Management Services Limited.

The ultimate parent undertaking and controlling party is Provident Financial plc, a company incorporated in the United Kingdom, which is the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Provident Financial plc may be obtained from the Company Secretary, Provident Financial plc, No.1 Godwin Street, Bradford, BD1 2SU.