PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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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 £1.9m (2024: loss after tax: £411.8m) has been deducted from reserves reflecting the net intercompany interest expense and impairments of a proportion of the Company's investments in subsidiaries which are significantly lower than 2024. See further details on page 3.

One Vanquis legal entity programme
During 2024 the Group's Board noted that the Group legal entity structure was not reflective of the Group's operating model and was inefficient, resulting in additional cost and administrative burden. As a result the ongoing One Vanquis legal entity programme has made changes to simplify the business structure. This has driven a number of transactions in the Company in the year referenced throughout these accounts.

Dividends
The directors made a dividend payment on 30 April 2025 of £20.0m to the parent company, VBG (2024: £40.0m).

Directors
The directors of the Company during the year ended 31 December 2025, 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 statements 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 (2024: no employees).

Climate change
A climate-related financial report is included in the Group's Annual Report and Financial Statements 2025 on pages 33 to 43 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 2025 calendar year.

DIRECTORS' REPORT (CONTINUED)

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.

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 2025 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 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 16.

BY ORDER OF THE BOARD

D Watts
Director
1 April 2026

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

STRATEGIC REPORT

Review of the business
The loss after tax for the year of £1.9m (2024: loss after tax: £411.8m) has been deducted from reserves. The loss for the year reflects: the total income of £36.0m (2024: £(14.6)m); the impairment of a proportion of the Company's investment in subsidiaries of £47.4m (2024: £396.8m); £7.8m (2024: £12.5m) for the impairment of intercompany balances owed by the Company's subsidiaries and a tax credit of £17.4m (2024: £13.8m).

The impairment of investments in 2025 was related to the One Vanquis legal entity programme. The net assets of Duncton Group Limited (DGL) and PFG Corporate Services Ltd (PFGCSL) reduced following dividend payments made to the Company. These net assets could no longer support the investment in subsidiary balance on the Company's balance sheet. Following an impairment review, the Company recorded impairment charges of £45.4m and £2.0m respectively.

Dividend income of £104.6m (2024: £40.0m) was received in the year from the Company's subsidiaries. A dividend payment of £20.0m on 30 April 2025 was made to the parent company, VBG (2024: £40.0m).

During the year the Company received a £60.0m (2024: £nil) contribution from its parent, VBG. Subsequently the Company invested £60m into its subsidiary, Vanquis Bank Limited (VBL).

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 Vanquis Banking Group plc (VBG plc) group of companies (the 'Group'). 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 both historic CCD entities and those identified as part of the One Vanquis legal entity programme, any regulatory or legal matters.

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

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 was the impact 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 Vanquis Banking Group plc (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 twice 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 Corporate Social Responsibility (CSR)	• Performance of investments • Capitalisation of investments • The progress of the company liquidations in respect of the general entity rationalisation exercise • Payment of an interim dividend • Complaints and the impact of Claims Management Companies and the Judgment on vehicle finance commission disclosures	• The simplified structure has streamlined corporate administration • Noting of the interim and year end performance of the subsidiaries. • Sufficient capitalisation of subsidiaries for regulatory purposes
Our colleagues The Company employs no colleagues	• Not applicable	• Not applicable	• Not applicable

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 was the impact 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 Group's purpose and role in society • Continued partnership with Plain Numbers, School-Home Support, National Numeracy and the Ahead Partnership • The Group signed the Armed Forces Covenant • 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
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 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 the VBG Risk Committee 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 • The Supreme Court Judgement on Vehicle Finance Commission Disclosures and the FCA's consultation on an associated compensation scheme	• That the 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

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 was the impact 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 efficiency. • Reporting of Science Based Targets

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.

During the year, the Company's primary activity was oversight of its investments within the Group. The most significant decision during the year was the payment of an interim dividend, which required the Board to take into account its duties under s172 of the Companies Act 2006:

Interim Dividend

The Board met to consider the payment of an interim dividend to VBG, following receipt by the Company of a dividend payment from Vanquis Bank Limited. Having considered the Company's Report and Accounts for the year ended 31 December 2024, and the latest set of management accounts available at the time of the decision (March 2025) the Board noted that there were sufficient distributable reserves available to support payment of the proposed dividend. The Board considered the Company's financial position before and after payment of the interim dividend and noted the Company's role in the success of the Group as a whole.

Following due and careful consideration the Board approved the payment of the interim dividend confirming that the decision would be of benefit to the Group as a whole.

STRATEGIC REPORT (CONTINUED)

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

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 certain of its subsidiaries are regulated businesses.

Investors
The Board noted that the payment of the interim dividend to its sole shareholder Vanquis Banking Group plc was 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 no reputational risk associated with the decision.

BY ORDER OF THE BOARD

D Watts
Director
1 April 2026

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

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 of the financial reporting framework 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.

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 2025 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;
- the related notes 1 to 16.

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.

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

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.

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

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.

K. J. Cooper

Kieren Cooper (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
1 April 2026

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2025 £m	2024 £m
Interest income		11.4	20.1
Dividend income		104.6	40.0
Total revenue	1	116.0	60.1
Finance costs	2	(80.0)	(74.7)
Total income		36.0	(14.6)
Operating costs		(55.3)	(411.0)
Loss before taxation	3	(19.3)	(425.6)
Tax credit	4	17.4	13.8
Loss and total comprehensive expense for the year		(1.9)	(411.8)

All of the above operations relate to continuing operations.

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

STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2025 £m	As at 31 December 2024 £m
ASSETS			
Investments in subsidiaries	5	1,267.1	1,174.5
Trade and other receivables	6	8.4	84.4
Current tax assets		16.2	-
Deferred tax asset	7	19.2	16.7
TOTAL ASSETS		**1,310.9**	**1,275.6**
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	8	733.6	736.4
Total liabilities		733.6	736.4
Equity attributable to owners of the parent			
Share capital	10	34.4	34.4
Share premium	10	7.5	7.5
Retained earnings		475.4	497.3
Other reserves	11	60.0	-
Total Equity		577.3	539.2
TOTAL LIABILITIES AND EQUITY		**1,310.9**	**1,275.6**

The financial statements on pages 12 to 27 were approved and authorised for issue by the board of directors on 1 April 2026 and were signed on its behalf by:

D Watts

Director

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £m	Share premium £m	Retained earnings £m	Other reserves £m	Total £m
Balance at 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 and 1 January 2025	34.4	7.5	497.3	-	**539.2**
Loss and total comprehensive expense for the period	-	-	(1.9)	-	(1.9)
Capital contribution	-	-	-	60.0	60.0
Dividends paid	-	-	(20.0)	-	(20.0)
Balance at 31 December 2025	34.4	7.5	475.4	60.0	**577.3**

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2025 £m	2024 £m
Cash flow from operating activities			
Cash generated from operations	13	-	-
Net cash generated from operating activities		**-**	**-**
Cash flows from investing activities			
Dividend received from subsidiaries		20.0	40.0
Net cash generated from investing activities		**20.0**	**40.0**
Cash flow from financing activities			
Dividend paid to parent		(20.0)	(40.0)
Net cash used in financing activities		**(20.0)**	**(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		-	-

MATERIAL ACCOUNTING POLICY INFORMATION

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 Fairburn House, 5 Godwin Street, Bradford, West Yorkshire, BD1 2AH.

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

Basis of preparation
The financial statements cover the year ended 31 December 2025.

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 part of the Group's going concern assessment. The directors considered the appropriateness of the going concern basis, the period of assessment, any reporting requirements, and solvency and liquidity risks, and included a variety of factors – forecasts and budgets, timing of cash flows and funding, the Group's primary market and any contingent liabilities. When considering the appropriateness of going concern, the directors have also considered the Group's ability to meet its regulatory requirements (both capital and liquidity) at all times and not just a positive net asset measure.

The assessment of going concern for the Group considered the following factors:

- The Group's corporate plan as approved in January 2026, which sets out financial, capital, liquidity and funding projections, together with an overview of relevant risks.
- The principal and emerging risks, which could impact the performance of the Group, with a focus on capital and liquidity.
- The severe but plausible downside scenario, which is designed to assess the potential impact of certain underlying risks on the Group's capital and funding resources, together with the availability and effectiveness of mitigating actions.
- Reverse stress testing analysis, which is designed to assess the point at which the Group is no longer a going concern.

Having considered the Group's forecasts, the regulatory capital and liquidity of the Group and the regulatory outlook, the directors have a reasonable expectation that the Group will continue as a going concern for a period of at least 12 months from the date of approving these financial statements. Accordingly, the Company's financial statements have also been prepared on the going concern basis.

Principal accounting policies
The Company's principal accounting policies under IFRSs have been consistently applied to all the periods presented, except where set out below.

Exceptional items
The Company, along with the wider Group, has transitioned to reporting solely on a statutory basis, with the accounting policy for exceptional items no longer in place. This has resulted in all costs being treated as operating costs. Accordingly, the exceptional items previously presented as a separate line item in the Statement of Comprehensive Income (2024: £411m) are now included in operating costs. There is no impact on recognition, measurement or total profit or loss in any period presented in this report. The change reflects a change in presentation of the income statement.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The impact of new standards not yet effective and not adopted by the Company from 1 January 2026

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;and
- 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 financial statements in future periods.

There are no other new standards not yet effective and not adopted by the Company from 1 January 2026 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.

Other reserves
Other reserves represents the capital redemption reserve created following the £60m capital contribution received by the Company from its ultimate and immediate parent company, VBG.

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.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (continued)
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.

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 or if there is an indicator of impairment. The carrying value is assessed against its value in use cash flow forecast and fair value less costs of disposals. 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 value of its investment in its subsidiary, Moneybarn No1 Limited (MB1), which was transferred to the Company as part of the One Vanquis legal entity programme, having previously being held indirectly via Duncton Group Limited (DGL) and Moneybarn Group Limited (MGL). As part of the transfer the value of Moneybarn No1 Limited was reassessed at £80.0m (2024: £40.0m) based on fair value less costs of disposals.

The Company’s investment in VBL has 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.

MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Critical accounting judgements and key sources of estimation (continued)

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

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 2025 was £nil (2024: £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, reserves held with the Bank of England (BoE) and exposures to UK Government bonds (gilts). Counterparty credit risk is managed by the Group's Assets and Liabilities Committee (ALCO) (which covers all legal entities in the Group) 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) Funding and liquidity risk
Funding and liquidity risk is the risk that the Group will have insufficient financial resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

The Funding Plan, Internal Liquidity Adequacy Assessment Process (ILAAP), Recovery Plan and Solvent Exit Analysis are approved by the Board with day-to-day management delegated to the Treasury function, who discharges and informs the decision-making through the ALCO. The ALCO is responsible for approving the Funding and Liquidity Risk Policy and monitoring funding and liquidity risk metrics against limits set by the Board, including the Group's ability to meeting regulatory requirements, to ensure that the Group is able to continue to fund the growth of the business and meet retail deposit and wholesale funding outflows.

The Group and Vanquis Bank are PRA-regulated institutions. They are required to maintain a liquid asset portfolio of high-quality liquid assets (HQLA), a Liquid Asset Buffer (LAB) and other liquid resources, determined by daily stress tests detailed in the Group and Bank ILAAP. The ILAAP determines the liquid resources that must be maintained by the Group to meet the Overall Liquidity Adequacy Rule (OLAR) and to ensure that it can meet its liabilities as they fall due.

Both the Group and Vanquis Bank are required to meet the liquidity coverage ratio (LCR). The LCR requires institutions to hold a buffer of HQLA to meet net liquidity outflows during a 30-day period. The Group and Vanquis Bank have developed systems and controls to monitor the LCR and report to the PRA.

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.

(c) Market risk
Market risk is the risk of financial loss associated with adverse changes in the value of assets and liabilities held by the Group due to movements in market factors such as foreign exchange risk, interest rates (duration risk), customer behaviour (optionality risk) and the movement in rate spreads across types of assets or liabilities (basis risk and credit spread risk). The Company does not have a trading book and therefore is only exposed to non-traded market risk.

Market risk principally arises through Interest Rate Risk in the Banking Book (IRRBB) and the management of assets to support liquidity requirements, including Credit Spread Risk in the Banking Book (CSRBB). It comprises the sensitivity of the current and future net interest income and economic value to movements in market interest rates. The major contributors to interest rate risk are:

- the mismatch, or duration, between repricing dates of interest-bearing assets and liabilities;
- basis risk or assets and liabilities repricing to different reference rates, for example, customer asset and liability products repricing against BoE base rate and Sterling Overnight Index Average (SONIA); and
- customer optionality, for example the right to repay borrowing in advance of contractual maturity dates.

Interest rate risk
Interest rate risk is the risk of potential loss through unhedged or mismatched asset and liability positions that are sensitive to changes in interest rates. Primarily, the Group is at risk of a change in external interest rates, which leads to an increase in the Group's cost of borrowing without an offsetting increase in revenue. The Group's exposure to foreign exchange risk is de minimis.

Day-to-day management of market risk is delegated to the Treasury function, who discharges and informs the decision-making through the ALCO. The ALCO is responsible for approving the Market Risk Policy and monitoring the interest rate risk position, including the risk appetite metrics set for both earnings at risk (EaR), market value sensitivity (MVS), economic value of equity and basis risk.

Treasury 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 using derivative financial instruments, such as interest rate swaps, to manage its exposures within approved limits. Derivative financial instruments are not used for speculative purposes.

The Group's risk management and internal control framework for IRRBB continues to evolve in line with updates in regulatory guidance on methods expected to be used by banks to measure, manage, monitor and control such risks.

(d) Capital risk
Capital risk is the risk that capital resources become insufficient to operate effectively, including meeting any minimum regulatory requirements, operating within Board-approved risk appetite, and supporting our strategic goals. Capital risk is managed by the Group's centralised treasury department, with a focus on capital efficiency and effective risk management. This considers 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 the Group.

PROVIDENT FINANCIAL HOLDINGS LIMITED
(Company Number 13061852)

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2025 £m	2024 £m
Interest received from other Group companies	11.4	20.1
Dividend income received	104.6	40.0
Total revenue	116.0	60.1

2 Finance costs

	2025 £m	2024 £m
Interest payable to other Group companies	80.0	74.7
Total finance costs	80.0	74.7

3 Loss before taxation

	2025 £m	2024 £m
Loss before taxation is stated after charging:		
Snoop post-acquisition costs	-	1.7
Impairment/Write off of investment in subsidiaries (note 5)	47.4	396.8
Impairment of loans to subsidiary companies (note 6)	7.8	12.5

Auditor's remuneration to Deloitte LLP in respect of the audit of the financial statements was £0.1m (2024: £0.1m). Auditor's remuneration to Deloitte LLP in respect of other services was £nil (2024: £nil).

The Company has no employees. The emoluments of the directors for services to the company during 2025 were £nil (2024: £nil). The emoluments of the directors are borne by the parent company.

4 Taxation

Tax credit in the statement of comprehensive income	2025 £m	2024 £m
Current tax		
- UK	14.9	(2.9)
Deferred tax credit (note 7)	2.5	16.7
Total current tax credit	17.4	13.8

Deferred tax balances as at 31 December 2025 and 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% (2024: 25%).

4 Taxation (continued)

The rate of tax credit (2024: tax credit) on the loss (2024: loss) before taxation for the year is higher than (2024: lower than) the average standard rate of corporation tax in the UK of 25% (2024: 25%). This can be reconciled as follows:

	2025	2024
	£m	£m
Loss before taxation	(19.3)	(425.6)
Loss before taxation multiplied by the average standard rate of corporation tax in the UK of 25% (2024: 25%):	4.9	106.4
Effect of:		
- adjustment in respect of non-taxable dividends	26.1	10.0
- adjustment in respect of non-deductible impairment of subsidiary investments	(11.9)	(99.2)
- adjustment in respect of non-deductible impairment of subsidiary company loans	(1.9)	(3.1)
- expenses not deductible for tax purposes	-	(0.5)
- adjustment in respect of prior years	0.2	0.2
Total tax credit	17.4	13.8

5 Investment in subsidiaries

	2025	2024
	£m	£m
Cost		
At 1 January	1,693.4	1,808.3
Additions (note (a))	140.0	32.5
Write off (note (c))	-	(147.4)
At 31 December	1,833.4	1,693.4
Accumulated impairment		
At 1 January	(518.9)	(269.5)
Charged to the statement of comprehensive income (note (b))	(47.4)	(396.8)
Write off (note (c))	-	147.4
At 31 December	(566.3)	(518.9)
Carrying value of investments at 31 December	1,267.1	1,174.5

(a) Investment in subsidiaries - Additions

Included within the £140.0m (2024: £32.5m) of additions is:

2025

- A £60m investment made in VBL in relation to the Group's internal AT1 issuance. In December 2025 VBL issued £60m of AT1 notes to VBG (it's ultimate, but not immediate, parent). VBG is deemed to have made a capital contribution in the Company, which in turn made a £60m investment into VBL.

- An £80m addition representing the transfer of MGLs investment in MB1 to the Company which took place as part of the One Vanquis legal entity programme.

5 Investment in subsidiaries (continued)

(a) Investment in subsidiaries – Additions (continued)

- Further immaterial additions in the year related to the transfer of investments in MGL and Moneybarn Limited ('MB Ltd') to the Company. The transfers of both of these entities related to the One Vanquis legal entity programme and both entities were subsequently placed into members voluntary liquidation in December 2025.

2024

- 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.

- 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.

(b) Investment in subsidiaries – Impairment

The Company has recognised an impairment loss in the year of £47.4m (2024: £396.8m loss) in relation to its investments. There were impairment losses in the Company's investment in DGL of £45.4m (2024: £382.5m) reducing its carrying value to £nil following the transfer of MGL's investment in MB1 to the Company. Previously, the cashflows generated by MB1 moved up the group structure and supported Company's investment in DGL. Following the transfer, the Company has a direct investment in MB1 as detailed in (a) additions. The Company also impaired its investment in PFGCS, which was placed into members voluntary liquidation in December 2025, by £2.0m (2024: £5.5m). There was no impairment recognised in relation to Usnoop Limited (2024: £8.7m) and Cheque Exchange Limited (2024: £0.1m).

The Company reviews the carrying value of its investments in subsidiaries at each balance sheet date or following indicators of impairment. The transactions related to the One Vanquis legal entity programme were assessed to be potential indicators of impairment. The carrying value is assessed against its value in use cash flow forecast and fair value less costs of disposals.

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 13.1% (2024: 12.5% - 13.5%). The pre-tax equivalent rate is 17.5% (2024: 16.7% - 18.0%). 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.

The Company's investment in MB1 (£80.0m) was assessed based on fair value less costs of disposal at the point MB1 transferred into the Company.

The Company's investment in Usnoop Limited has been assessed through calculating the value in use, which indicated its nil value remains accurate and no prior period impairment should be reversed.

The Company's investment in PFGCS Limited was assessed to require impairment in the year of £2.0m.

5 Investment in subsidiaries (continued)

(b) Investment in subsidiaries – Impairment (continued)

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, if the discount rate was 1% higher this would move the valuation by c.£84m and sufficient headroom would remain to not require impairment. A 1% movement on the underlying cashflows impacts the valuation by c.£13m.

(c) Investment in subsidiaries – Write off

There were no write offs in 2025.

In 2024, 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.

6 Trade and other receivables

	Note	2025 £m	2024 £m
Amounts owed by subsidiary undertakings	12	8.4	84.4
Total trade and other receivables		8.4	84.4

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

Amounts owed by subsidiary undertakings reduced during the year due to changes to the way the Group funds its subsidiaries as part of the One Vanquis legal entity programme. They 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 Company has assessed the estimated credit losses under IFRS9 and as a result an impairment provision of £20.7m (2024: £12.9m) has been recognised.

Amounts owed by subsidiary undertakings consist of £0.1m (2024: £19.6m) categorised as Stage 1 against which no provision is recognised. £28.9m (2024: £77.7m) is categorised as Stage 2 where indicators of a significant increase in credit risk have been identified against which £20.7m (2024: £12.9m) of provision has been recognised. No amounts have been categorised as Stage 3.

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 2025 and movements in deferred tax balances during the year have been measured at the standard corporation tax rate in the UK of 25% (2024: 25%).

Asset	2025 £m	2024 £m
At 1 January	16.7	-
Credit to the statement of comprehensive income (note 4)	2.5	16.7
Total at 31 December	19.2	16.7

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

	2025		2024	
Asset	Losses £m	Total £m	Losses £m	Total £m
At 1 January	16.7	16.7	-	-
Credit to the statement of comprehensive income	2.5	2.5	16.7	16.7
At 31 December	19.2	19.2	16.7	16.7

Deferred tax assets comprise entirely deferred tax assets on carried forward losses of £19.2m (2024: £16.7m). These have been recognised on the basis that the Group's detailed forecasts for the three years to 31 December 2028 and the less detailed forecasts for 2029 and 2030 in the corporate plan approved by the Group Board in January 2026, show that there are expected to be sufficient taxable profits available in future periods against which the carry forward of losses can be utilised, after taking account of the reversal of temporary differences and the Group loss restriction rules, which restrict the extent to which carried forward losses can be offset against taxable profits in any particular accounting period. No expiry date applies to these losses. At 31 December 2025, there are no (2024: no) deductible temporary differences or carried forward tax losses in Provident Financial Holdings Limited for which a deferred tax asset is not provided.

No deferred tax asset has been recognised in respect of the Company's capital losses carried forward of £255m (2024: £nil) as it is not probable that future capital gains will be realised against which these losses can be utilised. No expiry date applies to these losses.

8 Trade and other payables

	Note	2025 £m	2024 £m
Amounts owed to subsidiary undertakings	12	3.5	3.3
Amounts owed to ultimate parent company	12	726.2	729.2
Other payables		3.9	3.8
Accruals		-	0.1
Total trade and other payables		733.6	736.4

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:

2025	Amortised cost	Non-financial assets/liabilities	Total
	£m	£m	£m
Assets			
Trade and other receivables	8.4	-	8.4
Investment in subsidiaries	-	1,267.1	1,267.1
Current tax asset		16.2	16.2
Deferred tax asset	-	19.2	19.2
Total assets	8.4	1,302.5	1,310.9
Liabilities			
Trade and other payables	729.7	3.9	733.6
Total liabilities	729.7	3.9	733.6

2024	Amortised cost	Non-financial assets/liabilities	Total
	£m	£m	£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

10 Share capital

	Number	£
Issued and fully paid		
Ordinary shares of £1 each	34,374,879	34,374,879
As at period ended 31 December 2024 and 1 January 2025	34,374,879	34,374,879
- Issued in the year	-	-
As at period ended 31 December 2025	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.

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

11 Other reserves

	2025 £m	2024 £m
At 1 January	-	-
Capital contribution received from VBG	60.0	-
Total at 31 December	60.0	-

In December 2025 VBL issued £60m of AT1 notes to VBG (it's ultimate, but not immediate, parent). VBG is deemed to have made a capital contribution in the Company, which in turn made a £60m investment into VBL as detailed in note 5.

12 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 2025 are as set out below:

2025	Interest income £m	Interest charge £m	Outstanding balance £m
Vanquis Banking Group plc	-	53.0	(726.2)
Moneybarn No1 Limited	7.7	-	8.6
Vanquis Bank Limited	-	27.0	(3.5)
PFG Corporate Services Limited	2.0	-	-
Usnoop Limited	1.7	-	20.3
Cheque Exchange Limited	-	-	0.1
Total	11.4	80.0	(700.7)

2024	Interest income £m	Interest charge £m	Outstanding balance £m
Vanquis Banking Group plc	4.9	69.8	(729.2)
Moneybarn No1 Limited	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)

The outstanding balances are gross of an impairment provision for Usnoop Limited of £20.3m (2024: £12.5m) and Moneybarn No1 Limited of £0.4m (2024: £0.4m).

The Company received dividend income of £20.0m from VBL in the year (2024: £40.0m). The Company declared a dividend of £20.0m to VBG (2024: £40.0m).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Reconciliation of loss after tax to cash generated from operations

	2025	2024
	£m	£m
Loss after tax	(1.9)	(411.8)
Adjusted for:		
- tax credit	(17.4)	(13.8)
- interest income	(11.4)	(20.1)
- dividends received	(104.6)	(40.0)
- interest paid	80.0	74.7
- impairment and write off of investments	47.4	396.8
- impairment of loans to subsidiary companies	7.8	12.5
Changes in operating assets and liabilities:		
- trade and other receivables	-	-
- trade and other payables	-	1.7
- Increase in intercompany funding	82.9	198.2
- Repayment of intercompany funding	(82.8)	(198.2)
Cash generated from operating activities	-	-

14 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 (2024: £nil). At 31 December 2025, the borrowings amounted to £nil (2024: £nil).

15 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, Fairburn House, 5 Godwin Street, Bradford, BD1 2AH, and are also publicly available.

16 Post balance sheet events

On the 1 April 2026 the company subscribed for a further 5.2m ordinary shares in Usnoop Limited for a total consideration of £26.0m in order to put Usnoop into a position of balance sheet solvency supporting its trading, and to facilitate future Group simplification as part of the One Vanquis legal entity programme.