MONEYBARN LIMITED
(Company Number 02766324)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

MONEYBARN LIMITED
(Company Number 02766324)

CONTENTS

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DIRECTORS' REPORT

Moneybarn Limited (the 'Company') is part of Vanquis Banking Group plc. Vanquis Banking Group plc is a public limited company, listed on the London Stock Exchange, which, together with its subsidiaries, forms the Vanquis Banking Group (the 'Group'). The immediate parent of the Company is Moneybarn Group Limited.

The following provisions, which the directors are required to report in the Directors' report, have been included in the Strategic report:

- how the directors have engaged with colleagues, how they have had regard to colleague interests and the effect of that regard, including on the principal decision taken by the Company in the financial year (page 7); and,
- how the directors have had regard to the need to foster the Company's business relationship with suppliers, customers and others, and the effect of that regard, including on the principal decision taken by the Company in the financial year (pages 5 to 11).

Principal activities
The principal activity of the Company is to provide customer account management services to other companies in the Group, principally Moneybarn No.1 Limited.

Results
The Statement of comprehensive income for the year is set out on page 17. The loss for the year of £572,000 (2022: profit of £1,500,000) has been deducted from (2022: added to) retained earnings. The Company has net assets of £23,262,000 as at 31 December 2023 (2022: £23,459,000). The key drivers for the results in the current year have been considered in the Business review within the Strategic report.

Dividends
The directors do not propose the payment of a dividend in respect of the year ended 31 December 2023 (2022: £nil).

Directors
The directors of the Company during the year ended 31 December 2023, all of whom were directors for the whole year then ended and to the date of this report, except where stated, were:

M Le May	(resigned 1 August 2023)
D Shrimpton-Davis	(resigned 30 November 2023)
N Kapur	(resigned 7 August 2023)
C Anderson	(resigned 30 November 2023)
I McLaughlin	(appointed 1 August 2023)
D Watts	(appointed 30 November 2023)
G Cronin	(appointed 30 November 2023)
P Estlin	(appointed 23 January 2024)

Financial risk management
The financial and capital risk management reports of the Company are set out on pages 26 to 27.

Employee involvement
The Company systematically provides employees with information on matters of concern to them, consulting with them or their representatives regularly, so that their views may be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged as a common awareness amongst all employees of the financial and economic factors affecting the Company and Group plays a major role in maintaining its competitive position. The Company encourages the involvement of employees by means of live "stay connected" all colleague question and answer sessions, weekly CEO Video blogs, newsletters, performance updates and regular management team briefings. The Company also carries out regular employee engagement surveys and Save As You Earn (SAYE) and Buy As You Earn (BAYE) share schemes are operated by the Group to reinforce staff involvement in the Group and to encourage an interest in its progress. These schemes are open to all permanent employees of the Company with more than six months' service.

Equal opportunities
The Company is committed to removing all discrimination and encouraging diversity amongst the workforce. Open, honest and fair interaction is how we treat our people. The Company has worked hard and continue to work hard to create a positive, inclusive atmosphere, based on respect for people's differences. The Company is committed to equality of opportunity and treatment for all those who work for us.

The Company is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of gender, pregnancy, race, colour, nationality, ethnic or national origin, disability, sexual orientation, age, marital or civil partner status, gender reassignment, religion or belief. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company including making reasonable adjustments where required. If members of staff become disabled, every effort is made by the Company to ensure their continued employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Social and community matters
The Company's approach to community investment is aligned with the Group's Purpose to deliver caring banking so our customers can make the most of life's opportunities. Community investment activities are delivered through a Group-wide Social Impact Programme. The strategy of this programme is to invest in activities and initiatives which seek to address some of the key factors which, on their own or acting together, can reduce social and/or financial inclusion. This programme delivers community investment activities under the following three workstreams:

- Customer and vulnerability – working with charities and specialist partners to provide support which addresses issues such as customer vulnerability, product accessibility and financial difficulties;
- Education – supporting children, young people and adults to boost their education, skills and aspirations in order to participate in society and secure a brighter financial future; and
- Community – supporting Community Foundations and other partners to address the wide range of social inclusion and social mobility issues that are relevant to our customers and the communities where the Group operates. Colleagues are encouraged to engage with the volunteering programme which encourages participation in company-led volunteering, as well as offering one day per year to volunteer for a voluntary organisation of their choice. Matched funding of up to £500 per annum towards colleagues' own fundraising activities is also available.

Health and safety
Health and safety standards and benchmarks have been established and compliance is monitored by the Board. An annual health & safety report is reviewed and approved by the Board each year. During 2023 management reported to the Board on the key measures that had been implemented to ensure the health and safety of employees.

Climate change
A climate-related financial report is included in the Group's Annual Report and Financial Statements 2023 on pages 19 to 28 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 2023.

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 greenhouse gas 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 2023 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).

Anti-bribery and corruption

The Group's Anti-Bribery and Corruption Policy and supporting Gifts and Hospitality Policy reflects the requirements of the Bribery Act 2010 and a corporate hospitality register is maintained using a risk-based approach. Although the risks for the Company arising from the Bribery Act 2010 continue to be assessed as low, all employees are, nevertheless, required to undergo appropriate training and instruction to ensure that there is effective awareness of anti-bribery and corruption policies and procedures. Compliance is regularly monitored by the Risk Committee and is subject to periodic review by the Company's internal audit function.

Supply chain responsibility

In accordance with the requirements of the Modern Slavery Act 2015, the Group's most recent statement on modern slavery and human trafficking, dated March 2023, sets out the actions that the Group is taking to ensure instances of modern slavery or human trafficking are not occurring directly in its businesses as well as indirectly in the supply chains the Group uses to procure goods and services. The statement also communicates the measures the Group has taken to improve internal understanding and awareness around modern slavery and human trafficking.

The statement can be found on the Company's website (www.vanquisbankinggroup.com).

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
ii) the directors have taken all reasonable steps that he ought to have taken as a director in order 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.

Approved by the Board and signed on behalf of the Board by:

I McLaughlin
Director
23 April 2024

STRATEGIC REPORT

Business review

The following are considered the Company's Key Performance Indicators:

Key Performance Indicators (KPIs)	2023 £'000	2022 £'000
(Loss)/profit before taxation	(574)	1,928

During the year, the Company serviced, on behalf of other Group companies, 50,800 new contracts (2022: 42,100), as well as maintaining the servicing of a portfolio of loan contracts which increased from 100,000 to 111,700 in the year.

Revenue grew by 48% to £61,495,000 (2022: £41,640,000), primarily as a result of the receivables growth within Moneybarn No.1 Limited which resulted in an increased intra-group revenue for the Company.

Administrative and operating costs increased by 56% to £61,732,000 (2022: £39,648,000) in line with the increase in revenue. During the current year, the Group underwent a transformation to ensure a unified approach under the new shared corporate services model which included a refresh of the statutory cost recharges model which resulted in an increase to/from other subsidiary undertakings.

Regulation

The Company is regulated and authorised by the Financial Conduct Authority.

Principal risks and uncertainties and financial risk management

The Company operates a 'three lines of defence' model to articulate key accountabilities and responsibilities for managing risk and to support effective embedding of risk management across the business. The 'first line' consists of line management across the Company, who are responsible for identifying, assessing, monitoring and reporting risk within their respective areas whilst ensuring that appropriate internal controls, processes and systems are in place to deliver against business strategy and objectives. The Risk function of the Company act as the 'second line', in which the Risk Management Framework is established. This function provides independent oversight of governance, risk management and controls to ensure risks are identified, measured, managed and reported appropriately. The 'third line' consists of the Internal Audit function, which provides independent and objective assurance on the design adequacy and operational effectiveness of internal controls and overall effectiveness of the Company and Group's risk governance and risk management practices.

Information on the management of specific financial risks including credit, market, liquidity, interest rate, and capital risks is provided on pages 26 to 27.

Statement regarding section 172 of the Companies Act 2006

The directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the matters set out in section 172(a) – (f) of the Companies Act 2006.

The Board met during the reporting period and received regular updates from management on engagement activities with the Company's key stakeholders including regulators, customers and colleagues. The Board is composed of three directors, all of whom are directors of the ultimate parent company which provides direct investor engagement and ensures that investors' views are considered during the Board's discussion and decisions.

Our purpose, as part of the Vanquis Banking Group, is predicated on our customers and is underpinned by a number of strategic themes and values. These aim to deliver an appropriate balance between the needs of our customers, our regulators, investors and our employees, in order to ensure that we are successful and sustainable for all of our stakeholders. Our stakeholders are individuals or groups who have an interest in, or are affected by, the activities of our business; our key stakeholders are set out in the table below. We seek to engage with them regularly to ensure that we are aware of their views and concerns with regard to a wide range of issues and we do this in a number of ways, as detailed in the below table. By balancing the interests of our stakeholders, lending responsibly, contributing to wider society and ensuring the appropriate corporate governance arrangements are in place, we can maintain a reputation for high standards of business conduct. You can read about how we have generated and preserved value over the long term in the Strategic report.

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 We engage with our customers to determine whether we are delivering our business activities in accordance with our purpose and ensuring that we deliver good outcomes for them throughout their journey with us. Our customers' interests include access to affordable vehicle finance that meet their needs as well as high quality service.	• Utilising a wide variety of customer engagement methods including, third party research, and complaints monitoring • Customer call listening by the Group's Customer, Culture and Ethics Committee which was fed back to the Company • Monitoring performance against good customer outcomes • Considering the customer experience, customer journeys and outcomes • Designing and implementing policies that protect and support customers • Management reports to the Board on the above methods of engagement and the outcomes of such engagement	• Supporting customers through the cost of living crisis, including forbearance measures • Customer affordability, vulnerability and persistent debt • Customer outcomes aligned with the FCA Consumer Duty • Customer satisfaction, service level agreements, care, service and complaints • Policy suite including, but not limited to, Anti Money Laundering ('AML'), Data Protection, Complaints Handling, Forbearance, Collections, Vulnerable Customers and Financial Promotions • Continued partnership with Stepchange • Access to electronic vehicles	• Enhanced forbearance measures to support customers through the cost-of-living crisis and Board-level oversight over the impact of the crisis on our customers • Management and Board oversight of customer complaints operations, outcomes, strategy and vulnerable customers • Board approved an operational outsourcing arrangement with Teleperformance to improve the quality of service provided to our customers • Partnership with Leasoo for brand new vehicles via personal contract hire

STRATEGIC REPORT (CONTINUED)

<table>
<tr><th>Our Stakeholders and why we engage with them</th><th>How? (How management and/or directors engaged with and considered our stakeholders)</th><th>What? (What were the key topics of engagement and consideration)</th><th>Key outcomes and actions (What was the impact of the engagement and/or consideration?)</th></tr>
<tr><td>Our shareholder

The Company is a wholly owned subsidiary of Moneybarn Group Limited, whose ultimate parent is Vanquis Banking Group plc, and as such it is of paramount importance that the Group is kept updated on the Company’s progress in delivering the Group’s shared purpose, its budget, its strategy, governance, and culture. Direct and regular engagement with our shareholder ensures that the Company has a clear understanding of its role as part of the Group.

Our ultimate shareholders’ interests include return on investment, long-term growth and good ESG performance.</td><td>• Two of the Company Directors are members of the Group Executive Committee
• Financial reporting, strategy and common accounting principles are utilised across the Group to provide alignment
• The Budget and financial plan are developed as part of the wider Group process
• The Group has an aligned corporate governance framework and structure and Group wide Delegated Authorities Matrix
• The Group has a centralised Corporate Responsibility team and a Group-wide approach to Corporate Social Responsibility.
• Participating in the Group’s capital funding plan and contributing to the strenghtening of the Group’s capital, liquidity and funding structure.</td><td>• Strategy and long-term value creation
• Culture and The Vanquis Way values
• Financial and operational performance
• Harmonisation of risk management to provide a consistent and integrated approach to managing risk across the Group
• Corporate governance arrangements and alignment
• Corporate responsibility
• Interactions with the regulators
• Consideration of credit risk and lending policy in the macro-economic environment, specifically arising from the cost-of-living crisis during the year
• Operational Resilience
• ICAAP and ILAAP process input
• Intragroup funding arrangements
• Market and competitor landscape</td><td>• Business model aligned with the Group’s purpose
• Board-level oversight over the Group Risk Policy Taxonomy, Group Risk System and Group Enterprise Risk Management function to ensure a consistent approach to risk management across the Group
• Group Board and Company Board refreshed their corporate governance framework to support effective decision-making, oversight and accountability
• Board approved intra-group funding arrangements to provide more cost-efficient funding across the Group
• Input into the Group’s Internal Capital Adequacy Assessment Process
• Board and Group Board approved budget and operational plan
• Board governance manual and aligned delegated authorities matrix</td></tr>
</table>

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 colleagues To ensure that they understand the Group's purpose and how they can support its delivery, which we believe helps our customer base. To maintain high levels of colleague engagement in order to enable us to attract, retain and develop the talent we need. Our colleagues' interests include: • Career development, remuneration and benefits • Company culture, wellbeing, inclusion and diversity, work life balance • Tools and resources and supporting our customers	• A colleague culture survey was issued halfway through the year and a 'Great Place To Work' survey was issued at the year end • Colleague Forums with representatives from the Company and other businesses across the Group provided two-way engagement between the Group Board and colleagues • Regular Group CEO vlogs and e-communications issued to colleagues on important Group news and updates. • Designated Group Non-Executive Director Colleague Champion plays the lead role in Group Board engagement with employees, understanding and representing employee interests across the Group • The Group has an active, Executive sponsored, inclusion programme • A confidential, externally facilitated whistleblowing line is available for colleagues to raise concerns	• Review of colleague survey results • Culture, purpose, values and behaviours • Group aligned Colleague reward and recognition • Group aligned HR Policies • Training, leadership development and succession planning • Employee engagement • Colleague wellbeing at work • Inclusion and affinity Group pillars such as gender balance, ethnicity, disability and LGBTQ+ • Review of workforce engagement mechanisms	• Colleague survey action plans to address any areas for improvement and celebrate areas of achievement • Collective consultation on the Group's restructure via the Colleague Forums with a number of colleague counter-proposals being accepted. • Launched an online Development Centre for colleagues including information on training, apprenticeships, management leadership and other professional development programmes • Launched the Group's values under The Vanquis Way and linked recognition platform, 'Way to Go, to foster a culture where we say 'thank you' or 'well done' to colleagues who demonstrate our values.

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 To make a positive difference to the communities we serve in order to improve the lives of our customer base. Our communities' interests include financial education, addressing the key barriers to financial inclusion, social mobility and improving financial awareness.	• Participation in the Group Social Impact Programme that delivers community investment • The Company participated in the Group Customer, Culture and Ethics Committee at which Group-wide community matters are discussed and overseen by the Group Board • Oversight by the Group Board and Customer, Culture and Ethics Committee of community matters and the approach to external engagement regarding the Company's purpose and role in society	• Community contributions and charitable giving • Volunteering • Matched employee fundraising • Relationships with debt charities • Group Social Impact programme	• Group volunteering policy to encourage colleagues to volunteer and make a positive difference in their communities • Group approach to external engagement regarding the Company's purpose and role in society • Matched employee charitable fundraising • The Group Social Impact Programme is aligned to the Group's strategy and purpose and has delivered community investment focused on community, customers and education •
Our regulators To plan for regulatory change with greater certainty and confidence, to maintain our reputation as a responsible lender and to maintain our sustainable business model. Our regulators' interests include conduct, compliance and fair treatment of stakeholders.	• Board members and executive management engaged proactively with regulators via regular face to face and telephone meetings throughout the year. • Regulatory risk reporting, including horizon scanning, was carried out and reported to the Company Risk Committee and Board as well as to the Group Executive Committee and Group Risk Committee where appropriate • Regulatory engagement and correspondence was reported to and discussed by the Board via the Company Chief Risk Officer (CRO) and Group CEO • Dialogue and engagement regarding current products, potential products, customer outcomes and digitisation primarily through the Company CRO • Management reports to the Board on the above methods of engagement and the outcomes of such engagement	• Customer vulnerability, • Compliance with Consumer Duty rules to deliver good customer outcomes • Affordability assessments • Our products, our potential products and digitisation • Complaint levels and handling • Compliance with the Senior Management & Certification Regime • Culture • Payment holidays and other forbearance options • Regulatory changes and the potential impact on our business model and processes • FCA BiFD Plan including ratification of 2021 BiFD Remediation Plan approach •	• Group-wide compliance with the Operational Resilience Regulations, with Board oversight of the project. • Group-wide participation in the Consumer Duty programme, with the Company CRO reporting regularly to the Board on implementation and embedding. • Business model aligned with regulatory expectations • Continued partnership with StepChange • Co-operation with the FCA on Borrowers in Financial Difficulty Project • SMCR ways of working Framework

STRATEGIC REPORT (CONTINUED)

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<tr><td>Our suppliers

To treat our suppliers fairly and develop strong relationships with them which ensure that we only buy products and services from those who operate responsibly and mitigates risk in our supply chain.

Our suppliers' interests include sustainable business, long-term partnerships, and prompt payment.</td><td>• There is an established due diligence process to manage supply chain-based risks and comply with Company policies and Group policies
• There are standardised contractual terms that we attempt to use with all of our suppliers, to reduce contractual risks when contracting under these terms
• The Company is a signatory to the Prompt Payment Code, and we publish our Payment Practices Reporting at Companies House
• Group Customer, Culture and Ethics Committee reviewed suppliers' feedback on a questionnaire issued by the Group to supply account managers
• Consistent engagement through the Group's Supplier Relationship Management Framework</td><td>• Prompt payment
• Data Protection
• Information Security
• Environment
• Supplier on-boarding and performance
• Delegated Authorities
• Modern Slavery
• Anti-Bribery and Corruption</td><td>• Signatories of the Prompt Payment Code
• Supplier Relationship Management Framework highlighted supplier performance and enabled joint roadmaps
• Compliance with EBA Outsourcing Guidelines
• Group Board approved the 2023 Modern Slavery Statement
• Group Board approved the Group's policy on Human Rights and Modern Slavery</td></tr>
</table>

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 environment The Company supports and participates in actions related to ensuring that the Group submits reports that are fully consistent with the recommendations and recommended disclosures of the Taskforce on Climate-Related Financial Disclosures ("TCFD"). The Company aims to operate a sustainable business and is committed to tackling climate change. Environmental interests include sustainable business and contributing to tackling climate change.	• The Company utilises and contributes to the Group Environmental Management System (EMS) • The Company participates in the Group Customer, Culture & Ethics Committee at which Group-wide environmental matters are overseen by the Group Board Committee • Execution of activities to support Group achievement of ISO 14001	• Climate change • Environmentally conscious vehicle manufacture • Funding of electric vehicles • A compliance statement published in respect of the recommendations and recommended disclosures of the Task Force on Climate Related Financial Disclosures which complies with the FCA Listing Rule 9.8.6R(8) • Maintenance and compliance with ISO 14001	• Compliance with ISO 14001 • Progress made against environmental targets was included within the non-financial scorecard used by the Group Remuneration Committee to assist in determining the annual bonus pool for executive remuneration • Scope 1 and 2, and 8 out of 15 material scope 3 greenhouse gas emissions (including those associated with products and services procured and downstream leased assets) accounted for and reported across the Group in accordance with the UK Government's Streamlined Energy and Carbon Reporting policy • Submission of science-based carbon reduction targets to the Science-based Carbon Reduction Initiative

Statement regarding section 172 of the Companies Act 2006 (continued)

In all of our board papers requiring a decision to be taken, 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 the decision in question on the following factors/stakeholders (where not already set out in the body of their paper) – customers; colleagues; suppliers; regulators/government; investors, communities; environment; reputation; long term considerations. This draws attention to all the factors the directors need to take into account when considering their s. 172 Companies Act 2006 duties, even if there is considered to be no material impact in relation to any specific category of consideration.

In making the following principal decision, the Board took into account its duties under s.172 of the Companies Act 2006:

Decision to repay a part of and extend the term of the Company's securitisation facility to secure funding for 18 months

In July 2021, the Company had entered into a private securitisation facility with Natwest Markets and Barclays ('Senior Noteholders') who agreed to provide funding for the Company in return for auto-loan assets.

The Board considered a proposal to extend the facility (£250m) for eighteen months, cancel the undrawn amount (£50m) and repay Natwest part of the loan (£25m) in July 2023.

The Board discussed the decreased commitment and loan repayment as being a significant achievement given the capital market conditions. The Board noted that the Company's shareholder VBG board had recommended the cancellation and repayment and delegated finalising the transaction on behalf of VBG to the Group's Assets and Liabilities Committee based on the liquidity position being adequate to do so. The transaction aligned to the Group's transition into a traditional bank funding mix. The Board confirmed its opinion that the Company would materially benefit from entering into the agreement which would deliver a stable medium-term facility enabling the Company to carefully manage its funding costs helping ensure that customer APRs could be kept at a minimum. It was also considered that the arrangement would likely have a positive impact on the Company's position with the Regulators given it supported sustainable and effective operations.

The Board oversaw that suitable legal and professional advice had been provided regarding the transaction including assurance of the legality of the transaction.

In making this decision, the Board expected the transaction to contribute to the long-term success of the group to the benefit of its stakeholders.

Going concern

The Company is partially funded through intercompany loan facilities made available by the ultimate parent company, Vanquis Banking Group plc. As a result, the ability of the company to continue as a going concern is dependent on the ability and intent of its ultimate parent to continue to make funds available to enable the Company to meet its liabilities as they fall due.

In assessing whether the Company is a going concern, the directors have reviewed the Group's corporate plan, as approved in March 2024, in doing so, the Board reviewed detailed forecasts for the three year period to December 2026 and also considered less detailed forecasts for 2027 and 2028. 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.

The directors have also reviewed the Group's stress testing projections which are based on a severe but plausible scenario. The stress test scenario envisages that the UK economy enters a period of stagflation in 2024 with inflation rising to approximately 8.6% and the UK Bank Rate rising to 6.75%. As a result, the UK unemployment rate rises to approximately 8.1%. This shows that the Group is able to 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, also considering the loss making position of the Company in the current year. For this reason, the directors continue to adopt the going concern basis in preparing the Company accounts. Accordingly, the financial statements of the Company have been prepared on a going concern basis of accounting. Further details on the basis of preparation is provided on page 21.

Approved by the Board and signed on behalf of the Board by:

I McLaughlin
Director
23 April 2024

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 are required 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 directors:

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Moneybarn Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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 shareholders' equity;
- the statement of cash flows;
- the statement of accounting policies; and
- the related notes 1 to 21.

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.

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 the 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. These included regulations set by the Financial Conduct Authority (FCA).

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

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.

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

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 correspondence with the FCA.

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.

DocuSigned by:
Chris Freckelton
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Chris Freckelton (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
23 April 2024

MONEYBARN LIMITED
(Company Number 02766324)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2023 £'000	2022 £'000
Revenue	1	61,495	41,640
Administrative and operating costs		(61,732)	(39,648)
Operating (loss)/profit		(237)	1,992
Finance costs	2	(337)	(64)
(Loss)/profit before taxation	3	(574)	1,928
Profit before taxation and exceptional items	3	403	2,162
Exceptional items	3	(977)	(234)
Tax credit/(charge)	4	2	(428)
(Loss)/profit and total comprehensive (expense)/income for the year		(572)	1,500

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

All of the above operations relate to continuing operations.

MONEYBARN LIMITED
(Company Number 02766324)

BALANCE SHEET

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
ASSETS			
Cash and cash equivalents		43	2
Trade and other receivables	7	57,191	25,439
Property, plant and equipment	8	1,416	1,909
Right-of-use assets	9	1,264	1,556
Intangible assets	10	1,324	1,527
Deferred tax assets	12	378	375
Total assets		61,616	30,808
LIABILITIES AND EQUITY			
Trade and other payables	13	36,549	5,206
Lease liabilities	14	1,544	1,839
Provisions	15	261	304
Total liabilities		38,354	7,349
Equity attributable to owners of the parent			
Share capital	17	51	51
Share premium account		164	164
Share-based payment reserve	18	626	511
Retained profit		22,421	22,733
Total equity		23,262	23,459
Total liabilities and equity		61,616	30,808

The financial statements on pages 17 to 44 were approved and authorised for issue by the Board of directors on 23 April 2024 and signed on its behalf by:

I McLaughlin
Director

D Watts
Director

MONEYBARN LIMITED
(Company Number 02766324)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2022	51	164	347	21,069	21,631
Profit and total comprehensive income for the year	-	-	-	1,500	1,500
Transaction with owners:					
- share-based payment charge (note 18)	-	-	328	-	328
- transfer of share-based payment reserve	-	-	(164)	164	-
At 31 December 2022	51	164	511	22,733	23,459
At 1 January 2023	51	164	511	22,733	23,459
Loss and total comprehensive expense for the year	-	-	-	(572)	(572)
Transaction with owners:					
- share-based payment charge (note 18)	-	-	375	-	375
- transfer of share-based payment reserve	-	-	(260)	260	-
At 31 December 2023	51	164	626	22,421	23,262

MONEYBARN LIMITED
(Company Number 02766324)

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2023 £'000	2022* £'000
Cash flow from operating activities			
Cash used in operations	20	(38,453)	(2,523)
Net cash used in operating activities		**(38,453)**	**(2,523)**
Cash flow from investing activities			
Purchase of property, plant and equipment	8	(283)	(167)
Purchase of intangible assets	10	-	(1,045)
Proceeds from disposal of property, plant and equipment	8	125	91
Proceeds from transfer or property, plant and equipment	8	208	-
Net cash generated from/(used in) investing activities		**50**	**(1,121)**
Cash flow from financing activities			
Financing from intermediate holding company	7, 13	38,794	4,029
Finance lease payments	14	(350)	(384)
Net cash generated from financing activities		**38,444**	**3,645**
Net increase in cash and cash equivalents		41	1
Cash and cash equivalents at beginning of year		2	1
Cash and cash equivalents at end of year		**43**	**2**

* Certain 2022 cash flows have been reclassified. Financing from the intermediate holding company has been reclassified into ‘Cash flow from financing activities’ from ‘Cash flow from operating activities’ in the prior year.

STATEMENT OF ACCOUNTING POLICIES

General information
Moneybarn Limited (the 'Company') is a private limited liability company incorporated in England, United Kingdom under the Companies Act 2006 and domiciled in the United Kingdom. The address of the Company's registered office is Moneybarn, Athena House, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

Basis of preparation
The financial statements have been 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 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.

In assessing whether the Company is a going concern, the directors have reviewed the Group's corporate plan, as approved in March 2024, in doing so, the Board reviewed detailed forecasts for the three year period to December 2026 and also considered less detailed forecasts for 2027 and 2028. 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.

The directors have also reviewed the Group's stress testing projections which are based on a severe but plausible scenario. The stress test scenario envisages that the UK economy enters a period of stagflation in 2024 with inflation rising to approximately 8.6% and the UK Bank Rate rising to 6.75%. As a result, the UK unemployment rate rises to approximately 8.1%. This shows that the Group is able to 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, also considering the loss making position of the Company in the current year. For this reason, the directors continue to adopt the going concern basis in preparing the Company accounts. Accordingly, the financial statements of the Company have been prepared on a going concern basis of accounting.

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

Principal accounting policies
The Company's principal accounting policies under International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (UK), which have been consistently applied to all the years presented unless otherwise stated, are set out below.

The impact of new standards not yet effective and not adopted by the Company from 1 January 2024
There are no new standards not yet effective and not adopted by the Company from 1 January 2024 which are expected to have a material impact on the Company.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Revenue
Revenue comprises income from fees charged for the origination and servicing of contract purchase agreements on behalf of other companies in the group and is charged to the Statement of comprehensive income in the period to which it relates.

Intangible assets
Intangible assets comprise computer software development costs, which represent the costs incurred to acquire or develop the specific software and bring it into use. Directly attributable costs incurred in the development of software are capitalised as an intangible asset if the software will generate future economic benefits. Directly attributable costs include the cost of software development by employees and an appropriate portion of relevant directly attributable overheads.

The residual values and economic lives of intangible assets are reviewed by management at each balance sheet date.

Amortisation is charged to the Statement of comprehensive income as part of operating costs at the rate of 20.0% per annum on a straight-line basis. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the higher of the asset's value in use and its fair value less costs to sell.

Property, plant and equipment
Property, plant and equipment is shown at cost less subsequent depreciation and impairment.

Cost represents invoiced cost plus any other costs that are directly attributable to the acquisition of the items. Repairs and maintenance costs are expensed as incurred.

Depreciation is calculated to write down assets to their estimated realisable value over their useful economic lives. The following are the principal bases used:

	%	Method
Equipment (including computer hardware)	20.0	Straight line
Leasehold improvements	15.0	Straight line
Motor vehicles	25.0	Straight line

The residual values and useful economic lives of all assets are reviewed, and adjusted if appropriate, at each balance sheet date.

All items of property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds the higher of the asset's value in use or its fair value less costs to sell.

Gains and losses on disposal of property, plant and equipment are determined by comparing any proceeds with the carrying amount of the asset and are recognised within administrative costs in the Statement of comprehensive income. Depreciation is charged to the Statement of comprehensive income as part of administrative costs.

Leases
The Company assess whether a contract contains a lease at inception of a contract. A right of use asset and a corresponding liability are recognised with respect to all lease arrangements where it is a lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets (less than £5,000). For these leases, the lease payment is recognised within operating expenses on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate is used. This is defined as the rate of interest that the lessee would have to pay to borrow, over a similar term, and with similar security the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. This is based on the Group's non-bank funding rate.

The lease payments included in the measurement of the lease liability comprise:
- fixed lease payments;
- variable lease payments; and
- payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease, using the effective interest rate method, and reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured whenever:
- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- the lease contract is modified and the modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the year.

The right of use asset comprises the initial measurement of the corresponding lease liability and is subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The lease liability and right of use asset are presented as separate line items on the balance sheet. The interest on the lease and depreciation are charged to the Statement of comprehensive income and presented within finance costs and operating costs respectively.

Trade and other receivables and payables
Trade and other receivables and payables are held at amortised cost and receivables are assessed for impairment at the balance sheet date based on lifetime expected credit loss (ECL). The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand. The Group have a centralised Treasury department who look after the cash needs and funding requirements for all divisions within the Group. A Group sweep of the cash balance is performed daily to maximise interest return.

Retirement benefits
Cash contributions to defined contribution pension schemes are charged to the Statement of comprehensive income on an accruals basis.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Share-based payments
Equity settled schemes:
Vanquis Banking Group plc (formerly Provident Financial plc) grants options under employee savings-related share option schemes (typically referred to as Save As You Earn schemes (SAYE)) and makes awards under the Long Term Incentive Scheme (LTIS), the Restricted Share Plan (RSP) and the Company Share Option Plan (CSOP). All of these schemes are equity settled.

The cost of options and awards is based on their fair value. A binomial model is used for calculating the fair value of SAYE options which have no performance conditions attached and the RSP for which vesting is based on the discretion of the Remuneration Committee. No charge has been recognised for the CSOP as it is linked to the RSP awards granted at the same time. Any gains made by an employee in relation to the CSOP reduces the number of shares exercisable under the RSP award. The value of the charge is adjusted at each balance sheet date to reflect lapses and expected or actual levels of vesting, with a corresponding adjustment to the share-based payment reserve within equity.

The cost of options and awards is based on their fair value. A binomial model is used for calculating the fair value of SAYE options which have no performance conditions attached and the RSP for which vesting is based on the discretion of the Remuneration Committee. No charge has been recognised for the CSOP as it is linked to the RSP awards granted at the same time. Any gains made by an employee in relation to the CSOP reduces the number of shares exercisable under the RSP award.

The value of the charge is adjusted at each balance sheet date to reflect lapses and expected or actual levels of vesting, with a corresponding adjustment to the share-based payment reserve.

For LTIS schemes, performance conditions are based on EPS, total shareholder return (TSR) versus a peer group and risk metrics. Employees of the Company also have targets relating to profit before tax of their division. The fair value of awards is determined using a combination of the binomial and Monte Carlo option pricing models. The value of the charge is adjusted at each balance sheet date to reflect lapses and expected or actual levels of vesting. Where the Monte Carlo option pricing model is used to determine fair value of the TSR component, no adjustment is made to reflect expected or actual levels of vesting as the probability of the awards vesting is taken into account in the initial calculation of the fair value of the awards.

Cancellations by employees of contributions to the Group's SAYE plans are treated as non-vesting conditions and the Group recognises, in the year of cancellation, the amount of the expense that would have otherwise been recognised over the remainder of the vesting period.

Modifications are assessed at the date of modification and any incremental charges are recognised in the Statement of comprehensive income over the remaining vesting period of the scheme.

A transfer is made from the share-based payment reserve to retained earnings when options and awards vest, lapse or are cancelled.

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.

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 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.

Exceptional items
Exceptional items are items which the directors consider should be disclosed separately to enable a full understanding of the Company’s results. An exceptional item needs to meet at least two of the following criteria:

– the financial impact is material;
– it is one-off and not expected to recur; and
– it is outside the normal course of business.

Examples include, but are not limited to, costs arising from redundancy, acquisition or restructuring activities. Management may also apply judgement to determine whether an item should be classified as an exceptional item and be an allowable adjustment to a statutory measure.

Critical accounting judgements and sources of estimation uncertainty
No critical judgements or estimates have been identified that affect the reported amounts of assets and liabilities.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Moneybarn Limited (the 'Company') is a wholly owned subsidiary of Vanquis Banking Group plc which together with its subsidiaries, forms the Vanquis Banking Group (the 'Group').

The overall financial and risk management framework is the responsibility of the Board with certain responsibilities in respect of internal control and risk management being delegated to various subcommittees who report directly to the Board. The Company also operates within a Group treasury framework and is subject to Group treasury policies including counterparty, liquidity, interest rate, market and capital risk.

An overview of the Group's risk management framework can be found in the annual report and financial statements of Vanquis Banking Group plc which do not form part of this report.

(a) Credit risk

Credit risk is the risk that the Company will suffer loss in the event of a default by a customer, a bank counterparty or the UK Government. A default occurs when the customer or a bank fails to honour repayments as they fall due.

(b) Counterparty risk

The Company's maximum exposure to credit risk on bank counterparties as at 31 December 2023 was £43,000 (2022: £2,000).

Counterparty credit risk arises as a result of cash deposits placed with banks. Counterparty credit risk is managed by the Group's treasury committee 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).

(c) 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 on a day-to-day basis by the Group's centralised Treasury function, under the supervision of ALCO and in accordance with a Board-approved Group Funding and Liquidity Policy, which is designed to ensure that the Group is able to continue to fund the growth of the business. The overall responsibility for the management of liquidity risk rests with ALCO, which makes recommendations for the Group's liquidity policy for Board approval. ALCO monitors liquidity risk metrics within limits set by the Board, including meeting regulatory requirements.

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 Vanquis Banking Group plc.

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk

Interest rate risk is the risk of potential loss through unhedged or mismatched asset and liability positions, which 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.

The Group's exposure to movements in interest rates is managed by the Treasury Committee, with control and oversight provided by ALCO, and is governed by a Group Board-approved interest rate hedging policy which forms part of the Group's treasury policies.

The principal market-set interest rate used by the Group'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 has adopted the standard methodology measurement of interest rate risk. The Group measures and monitors the following market risk drivers under the interest rate risk in the banking book (IRRBB) framework through which risk exposure may arise.

(e) Market risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. The Group's exposure to market risk is primarily through interest rate risk. These exposures arise solely through the Group's duration mismatches between its lending and funding activities.

The Group's corporate policies do not permit it or the Company to undertake position taking or to run a trading book of this type and therefore neither it nor the Company does so.

(f) 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 Vanquis Banking Group plc within the Pillar 3 disclosures document which do not form part of this report.

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2023 £'000	2022 £'000
Servicing fees to group companies	61,495	41,364
Interest income from loan to intermediate holding company	-	276
Total revenue	61,495	41,640

Management regard the business as one operating segment. All revenue is from UK operations.

2 Finance costs

	2023 £'000	2022 £'000
Interest on lease liabilities	55	64
Interest expense on loan from intermediate holding company	282	-
Total finance costs	337	64

3 (Loss)/profit before taxation

	2023 £'000	2022 £'000
(Loss)/profit before taxation is stated after charging/(crediting):		
Depreciation of Property, plant and equipment (note 8)	477	526
Profit on disposal of Property, plant and equipment (note 8)	34	54
Depreciation of Right-of-use assets (note 9)	292	387
Amortisation of Intangible assets (note 10)	86	347
Loss on disposal on Intangible assets (note 10)	117	121
Operating lease rentals	82	70
Employment costs (note 6(b))	18,840	21,750

	2023 £'000	2022 £'000
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the financial statements	57	12
Total auditor's remuneration	57	12

Auditor’s remuneration to Deloitte LLP in respect of non-audit services was £nil (2022: £nil).

3 (Loss)/profit before taxation (continued)

Exceptional items	2023 £'000	2022 £'000
Indemnity payments	977	234
Total exceptional items	977	234

The exceptional costs of £977,000 (2022: £234,000) recognised in the current year relate to contractual indemnity payments made in relation to outsourcing certain activities to a third party.

4 Tax (credit)/charge

Tax (credit)/charge in the Statement of comprehensive income	2023 £'000	2022 £'000
Current tax	3	499
Deferred tax credit (note 12)	(1)	(57)
Impact of change in UK tax rate	(4)	(14)
Total tax (credit)/charge	(2)	428

The tax credit in respect of exceptional items amounts to £230,000 (2022: £nil) and represents tax at the mainstream corporation tax rate of 23.5% in respect of the £977,000 (2022: £234,000) of exceptionals costs.

The rate of tax credit (2022: tax charge) on the loss before taxation (2022: profit before taxation) for the year is lower than (2022: higher than) the average standard rate (2022: standard rate) of corporation tax in the UK of 23.5% (2022: 19%). This can be reconciled as follows:

	2023 £'000	2022 £'000
(Loss)/profit before taxation	(574)	1,928
(Loss)/profit before taxation multiplied by the average standard rate (2022: standard rate) of corporation tax in the UK of 23.5% (2022: 19%)	(135)	366
Effects of:		
- impact of permanent differences	36	35
- impact of change in UK tax rate (Note (a))	(4)	(14)
- impact of write off of deferred tax assets (Note (b))	32	5
- adjustment in respect of prior years (Note (c))	69	36
Total tax (credit)/charge	(2)	428

(a) Impact of change of UK tax rates

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 at 31 December 2021 were re-measured at the mainstream corporation tax rate of 25% to the extent that the temporary differences on which the deferred tax was calculated were expected to reverse after 1 April 2023.

Deferred tax balances at 31 December 2023 and movements in deferred tax balances during the year have been measured at 25% (2022: 25%).

A tax credit of £4,000 (2022: £14,000) represents the income statement adjustment to deferred tax as a result of these rate changes and no additional deferred tax charge (2022: nil) has been taken directly to other comprehensive income in respect of items reflected in other comprehensive income.

4 Tax (credit)/charge (continued)

(b) Impact of write off of deferred tax assets

Deferred tax assets written off comprise a tax charge of £32,000 (2022: £5,000) and relates to deferred tax assets in respect of share scheme awards where future tax deductions are expected to be lower (2022: lower) than previously anticipated.

(c) Adjustments in respect of prior years

The £69,000 tax charge (2022: £36,000) in respect of prior years represents lower tax deductions in respect of share scheme awards as a result of lower than anticipated share price on vesting, as well as in 2022, adjustments in respect of expenses not deductible for tax purposes.

5 Directors' remuneration

The remuneration of the directors, who are the key management personnel of the Company, is set out below:

	2023 £'000	2022 £'000
Short-term employee benefits	509	855
Post-employment benefits	31	14
Compensation for loss of office	444	-
Total	984	869

Fees and other emoluments of the highest paid director are as follows:

	2023 £'000	2022 £'000
Short-term employee benefits	311	527
Post-employment benefits	18	3
Compensation for loss of office	335	-
Total	664	530

The directors' emoluments of M Le May, N Kapur, I McLaughlin, D Watts and G Cronin are paid and disclosed by the ultimate parent company, Vanquis Banking Group plc.

No contributions were paid by the Company personal pension schemes in respect of the highest paid director (2022: £nil). No retirement benefits accrued to any director under a money purchase scheme (2022: £nil).

Share awards vested for no directors during the year (2022: nil).

6 Employee information

(a) The average monthly number of persons employed by the Company (including directors) was as follows:

	2023 Number	2022 Number
Full time	338	370
Part time	34	49
Total	372	419

(b) Employment costs – all employees (including directors)

	2023 £'000	2022* £'000
Aggregate gross wages and salaries paid to the Company's employees	16,118	18,813
Employers' National Insurance contributions	1,693	1,974
Pension charge (note 16)	653	635
Share-based payment charge (note 18)	376	328
	18,840	21,750

The pension charge comprises amounts paid by the Company to a defined contribution pension plan (see note 16).

*Following a streamlining of general ledger codes during the current year, certain costs in 2022 have been reclassified from Administrative and operating costs to Employment costs, to enable a like-for-like comparison.

7 Trade and other receivables

	2023 £'000	2022 £'000
Amounts owed by intermediate parent undertaking	-	13,402
Amounts owed by fellow subsidiary undertakings	55,953	10,157
Prepayments and accrued income	1,176	1,828
Other debtors	62	52
Total	57,191	25,439

The fair value of trade and other receivables equated to their book value (2022: fair value equated to book value).

There are no amounts past due in respect of trade and other receivables that are not impaired.

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (2022: carrying value).

Amounts owed by the intermediate parent undertaking are unsecured, repayable on demand and accrue interest linked to the monthly weighted average cost of funds of the ultimate parent undertaking plus a margin.

Amounts owed by fellow subsidiary undertakings are unsecured, repayable on demand and do not accrue interest.

There are no expected credit losses recognised at the balance sheet date (2022: none). Performing loans have no provision recognised as the loans entities have sufficient expected cash flow to service their obligations and sufficient realisable net assets to sell in the event of a default.

8 Property, plant and equipment

	Leasehold improvements	Equipment and vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2023	4,161	2,283	6,444
Additions	-	283	283
Disposals	(1,688)	(390)	(2,078)
Transfers to Group companies	-	(334)	(334)
At 31 December 2023	2,473	1,842	4,315
Accumulated depreciation			
At 1 January 2023	2,764	1,771	4,535
Charged to the statement of comprehensive income	290	187	477
Disposals	(1,688)	(299)	(1,987)
Transfers to Group companies	-	(126)	(126)
At 31 December 2023	1,366	1,533	2,899
Net book value at 31 December 2023	1,107	309	1,416
Net book value at 1 January 2023	1,397	512	1,909

	Leasehold improvements	Equipment and vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2022	4,143	2,266	6,409
Additions	18	149	167
Disposals	-	(132)	(132)
At 31 December 2022	4,161	2,283	6,444
Accumulated depreciation			
At 1 January 2022	2,403	1,701	4,104
Charged to the statement of comprehensive income	361	165	526
Disposals	-	(95)	(95)
At 31 December 2022	2,764	1,771	4,535
Net book value at 31 December 2022	1,397	512	1,909
Net book value at 1 January 2022	1,740	565	2,305

Disposals in the year had a net book value of £91,000 (2022: £37,000) and related proceeds of £125,000 (2022: £91,000). The profit on disposals was £34,000 (2022: profit on disposal of £54,000). Transfers to Group Companies were completed at net book value with no profit/loss on transfer.

9 Right-of-use assets

	New Barn	Athena House	Total
	£'000	£'000	£'000
Cost			
At 1 January 2023	-	2,626	2,626
At 31 December 2023	-	2,626	2,626
Accumulated depreciation			
At 1 January 2023	-	1,070	1,070
Charged to the statement of comprehensive income	-	292	292
At 31 December 2023	-	1,362	1,362
Net book value at 31 December 2023	-	1,264	1,264
Net book value at 1 January 2023	-	1,556	1,556

	New Barn	Athena House	Total
	£'000	£'000	£'000
Cost			
At 1 January 2022	1,580	2,626	4,206
Disposals	(1,580)	-	(1,580)
At 31 December 2022	-	2,626	2,626
Accumulated depreciation			
At 1 January 2022	1,485	778	2,263
Charged to the statement of comprehensive income	95	292	387
Disposals	(1,580)	-	(1,580)
At 31 December 2022	-	1,070	1,070
Net book value at 31 December 2022	-	1,556	1,556
Net book value at 1 January 2022	95	1,848	1,943

During the prior year, the leasehold agreement on the New Barn came to an end.

10 Intangible assets

	Software development	
	2023	2022
	£'000	£'000
Cost		
At 1 January	4,855	4,616
Additions	-	546
Disposals	(1,873)	(307)
At 31 December	2,982	4,855
Accumulated amortisation		
At 1 January	3,328	3,167
Charged to the statement of comprehensive income	86	347
Disposals	(1,756)	(186)
At 31 December	1,658	3,328
Net book value at 31 December	1,324	1,527
Net book value at 1 January	1,527	1,449

Disposals in the year had a net book value of £117,000 (2022: £121,000) and related proceeds of £nil (2022: proceeds of £nil). The loss on disposals was £117,000 (2022: £121,000).

11 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:

2023	Amortised cost £'000	Non-financial assets/liabilities £'000	Total £'000
Assets			
Cash and cash equivalents	43	-	43
Trade and other receivables	55,953	1,238	57,191
Property, plant and equipment	-	1,416	1,416
Right of use assets	-	1,264	1,264
Intangible assets	-	1,324	1,324
Deferred tax assets	-	378	378
Total assets	55,996	5,620	61,616
Liabilities			
Trade and other payables	36,549	-	36,549
Lease liabilities	1,544	-	1,544
Provisions	-	261	261
Total liabilities	38,093	261	38,354

2022	Amortised cost £'000	Non-financial assets/liabilities £'000	Total £'000
Assets			
Cash and cash equivalents	2	-	2
Trade and other receivables	23,559	1,880	25,439
Property, plant and equipment	-	1,909	1,909
Right of use assets	-	1,556	1,556
Intangible assets	-	1,527	1,527
Deferred tax assets	-	375	375
Total assets	23,561	7,247	30,808
Liabilities			
Trade and other payables	5,206	-	5,206
Lease liabilities	1,839	-	1,839
Provisions	-	304	304
Total liabilities	7,045	304	7,349

12 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: (a) property, plant and equipment which is depreciated on a different basis for tax purposes; (b) other temporary differences, which include: (i) deductions for employee share awards which are recognised differently for tax purposes; (ii) certain cost provisions for which tax deductions are only available when the costs are paid; and (iii) pension contributions for which tax deductions are only available when the costs are paid.

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 at 31 December 2021 were re-measured at the mainstream corporation tax rate of 25% to the extent that the temporary differences on which the deferred tax was calculated were expected to reverse after 1 April 2023.

Deferred tax balances at 31 December 2023 and movements in deferred tax balances during the year have been measured at 25% (2022: 25%).

A tax credit of £2,000 (2022: £14,000) represents the income statement adjustment to deferred tax as a result of these changes and no additional deferred tax charge (2022: nil) has been taken directly to other comprehensive income in respect of items reflected in other comprehensive income.

Asset	2023 £'000	2022 £'000
At 1 January	375	304
(Charge)/credit to the income statement (note 4)	1	57
Impact of change in UK tax rate	2	14
At 31 December	378	375

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

			2023
Asset	Accelerated capital allowances £'000	Other temporary differences £'000	Total £'000
At 1 January	230	145	375
Credit to the income statement (note 4)	(2)	3	1
Impact of change in UK tax rate	-	2	2
At 31 December	228	150	378

12 Deferred tax (continued)

			2022
	Accelerated capital allowances	Other temporary differences	Total
Asset	£'000	£'000	£'000
At 1 January	193	111	304
Credit to the Statement of comprehensive income	36	21	57
Impact of change in UK tax rate	1	13	14
At 31 December	230	145	375

At 31 December 2023, there are no (2022: no) deductible temporary differences or carried forward tax losses in Moneybarn Limited for which a deferred tax asset is not provided.

13 Trade and other payables

	2023	2022
Current liabilities	£'000	£'000
Trade payables	125	40
Amounts owed to intermediate parent undertaking	25,674	-
Amounts owed to fellow subsidiary undertakings	9,364	1,731
Other payables including taxation and social security	952	430
Accruals	434	3,005
Total	36,549	5,206

The fair value of trade and other payables equates to their book value (2022: fair value equated to book value).

14 Lease liabilities

A maturity analysis of the lease liabilities is shown below:

	2023 £'000	2022 £'000
Due within one year	382	350
Due between one and five years	1,273	1,528
Due in more than five years	-	127
Total	1,655	2,005
Unearned finance cost	(111)	(166)
Total lease liabilities	1,544	1,839
Lease liabilities due in less than one year	338	295
Lease liabilities due in more than one year	1,206	1,544
Total	1,544	1,839

Total cash outflows for leases in the current year for the Company amounted to £350,000 (2022: £384,000).

15 Provisions

Provisions	Dilapidations provision £'000	Restructuring provision £'000	Total £'000
At 1 January 2023	203	101	304
Created in the year	60	977	1,037
Utilised in the year	(8)	(1,072)	(1,080)
Released in the year	-	-	-
At 31 December 2023	255	6	261

	Dilapidations provision £'000	Restructuring provision £'000	Total £'000
At 1 January 2022	322	-	322
Created in the year	151	234	385
Utilised in the year	(144)	(133)	(277)
Released in the year	(126)	-	(126)
At 31 December 2022	203	101	304

Provisions relate to the expected dilapidation costs to return the building currently occupied by the Company back to a rentable state. The dilapidation costs are not expected to be incurred within the next 12 months.

The restructuring provision relates to redundancy costs incurred during the current year. The remaining redundancy costs provision is expected to be paid within the next 12 months.

16 Retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company and amount to £653,000 (2022: £600,000).

The Company made no contributions to personal pension plans in the year (2022: £nil).

17 Share capital

	2023		2022	
	Authorised	Issued and fully paid	Authorised	Issued and fully paid
Ordinary shares of £1 each (£'000)	51	51	51	51
Number of shares ('000)	51	51	51	51

There are no shares issued and not fully paid at the end of the year (2022: no shares).

18 Share-based payments

Vanquis Banking Group plc issues share options and awards to employees as part of its employee remuneration packages. The Group operates five equity-settled share schemes: the Long Term Incentive Scheme (LTIS), the Restricted Share Plan (RSP), the Company Share Option Plan (CSOP), employees' savings-related share option schemes typically referred to as Save As You Earn schemes (SAYE), and the Deferred Bonus Plan (DBP) (previously the Performance Share Plan (PSP)). Vanquis Banking Group plc also previously operated a cash-settled share incentive scheme, the Provident Financial Equity Plan (PFEP), for eligible employees based on a percentage of salary; no awards have been granted since 2018.

When an equity-settled share option or award is granted, a fair value is calculated based on the share price at grant date, the probability of the option/award vesting, the Group's recent share price volatility, and the risk associated with the option/award. A fair value is calculated based on the value of awards granted and adjusted at each balance sheet date for the probability of vesting against performance conditions. The fair value of all options/awards is charged to the income statement on a straight-line basis over the vesting period of the underlying option/award.

During 2023, awards/options have been granted under the RSP/CSOP and SAYE (UK) schemes (2022: awards/options granted under RSP/CSOP and SAYE (UK) schemes).

(a) Equity-settled schemes
The charge to the Statement of comprehensive income during the year was £375,000 (2022: £328,000) for equity-settled schemes. The fair value per award/option granted and the assumptions used in the calculation of the equity settled share-based payment charges are as follows:

		2023
	RSP/CSOP	SAYE
Grant date	11-Apr-23	03-Oct-23
Share price at grant date (£)	£2.31	£1.19
Exercise price (£)	-	£0.87
Shares awarded/under option (number)	360,065	259,421
Vesting period (years)	3	3
Expected volatility	-	52.0% - 56.7%
Award/option life (years)	3	3
Expected life (years)	3	3
Risk free rate	-	4.7% - 4.9%
Expected dividends expressed as a dividend yield	n/a	3.4% - 6.9%
Fair value per award/option (£)	£1.84	£0.25 - £0.26

18 Share-based payments (continued)

		2022
	RSP/CSOP	SAYE
Grant date	07-Apr-22	05-Oct-22
Share price at grant date (£)	£2.89	£1.75
Exercise price (£)	-	£1.43
Shares awarded/under option (number)	207,461	128,612
Vesting period (years)	3	3
Expected volatility	-	60.7% - 61.9%
Award/option life (years)	3	3
Expected life (years)	3	3
Risk free rate	-	4.1% - 4.2%
Expected dividends expressed as a dividend yield	n/a	8.6% - 10.9%
Fair value per award/option (£)	£2.59	£0.43 - £0.51

The expected volatility is based on historical volatility over the last three or five years as applicable. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon UK government bonds of a similar duration to the life of the share option. A reconciliation of share option movements during the year is shown below:

	RSP/CSOP		LTIS		SAYE	
2023	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 January	443,435	-	-	-	198,828	1.71
Granted	360,065	-	-	-	259,421	0.87
Cancelled	-	-	-		-	-
Lapsed	(170,100)	-	-	-	(121,460)	1.63
Exercised	(41,339)	-	-	-	-	-
Vested	(32,294)	-	-	-	-	-
Transferred	-	-	-	-	-	-
Outstanding at 31 December	559,767	-	-	-	336,789	1.10
Exercisable at 31 December	-	-	-	-	1,384	1.82

	RSP/CSOP		LTIS		SAYE	
2022	Number	Weighted average exercise price £	Number	Weighted average exercise price £	Number	Weighted average exercise price £
Outstanding at 1 January	467,923	-	83,318	-	121,020	2.20
Granted	207,461	-	-	-	128,612	1.43
Cancelled	-	-	-	-	-	-
Lapsed	(30,011)	-	(83,318)	-	(50,784)	2.19
Exercised	-	-	-	-	-	-
Transferred	(201,938)	-	-	-	-	-
Outstanding at 31 December	443,435	-	-	-	198,828	1.71
Exercisable at 31 December	-	-	-	-	593	1.82

18 Share-based payments (continued)

Share options outstanding under the SAYE schemes at 31 December 2023 had exercise prices ranging from 87p to 182p (2022: 143p to 323p) and a weighted average remaining contractual life of 1.3 years (2022: 1.7 years). Share awards outstanding under the RSP schemes at 31 December 2023 had an exercise price of £nil (2022: £nil) and a weighted average remaining contractual life of 1.6 years (2022: 1.7 years). Share awards outstanding under the CSOP schemes at 31 December 2023 had exercise prices ranging from 75p to 334p (2022: 241p to 334p) and a weighted average remaining contractual life of 1.6 years (2022: 1.7 years).

19 Related party transactions

Details of the transactions between the Company and other Group undertakings, which comprise service charges and management recharges, along with any balances outstanding at 31 December are set out below:

			2023
	Management recharge £'000	Other charges £'000	Outstanding balance £'000
Ultimate parent undertaking	(21,608)	7,210	(25,674)
Intermediate parent undertaking	-	-	(458)
Other subsidiaries of the ultimate parent undertaking:			
Moneybarn No.1 Limited	50,992	-	55,953
Vanquis Bank Limited	-	(8,906)	(8,906)
PFG Corporate Services Limited	-	-	-

			2022
	Management recharge £'000	Other charges £'000	Outstanding balance £'000
Ultimate parent undertaking	(8,500)	-	-
Intermediate parent undertaking	-	-	13,402
Other subsidiaries of the ultimate parent undertaking:			
Moneybarn No.1 Limited	41,364	-	10,157
Vanquis Bank Limited	-	(1,718)	(933)
PFG Corporate Services Limited	(790)	-	(798)

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

20 Reconciliation of (loss)/profit after taxation to cash used in operations

	Note	2023 £'000	2022* £'000
(Loss)/profit after taxation		(572)	1,500
Adjusted for:			
- interest income from loan to intermediate holding company	1	-	(276)
- interest expense on loan from intermediate holding company	2	282	-
- interest expense on lease liabilities	2	55	64
- tax (credit)/charge	4	(2)	428
- depreciation of property, plant and equipment	8	477	526
- profit on disposal of property, plant and equipment	8	(34)	(54)
- depreciation of right of use assets	9	292	387
- amortisation of intangible assets	10	86	347
- loss on disposal of intangible assets	10	117	121
- share-based payments	18	375	328
- provision movement	15	(43)	(18)
Changes in operating assets and liabilities:			
- trade and other receivables	7	(45,155)	(5,970)
- trade and other payables	13	5,669	94
Cash used in operations		(38,453)	(2,523)

*2022 adjustments to profit after taxation have been re-presented to disclose separately interest income from the loan to the intermediate holding company within the reconciliation of (loss)/profit after taxation to cash used in operations.

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

					2023
	Cash changes		Non cash changes		
	1 January 2023 £'000	Lease payments £'000	Interest accrued £'000	Lease Additions £'000	31 December 2023 £'000
Lease liabilities	1,839	(350)	55	-	1,544

					2022
	Cash changes		Non cash changes		
	1 January 2022 £'000	Lease payments £'000	Interest accrued £'000	Lease Additions £'000	31 December 2022 £'000
Lease liabilities	2,159	(384)	64	-	1,839

20 Reconciliation of (loss)/profit after taxation to cash used in operations (continued)

				2023
	Cash changes		Non cash changes	
	1 January 2023 £'000	Financing £'000	Interest £'000	31 December 2023 £'000
Amounts owed by/(to) intermediate holding company	13,402	(38,794)	(282)	(25,674)

				2022
	Cash changes		Non cash changes	
	1 January 2023 £'000	Financing £'000	Interest £'000	31 December 2023 £'000
Amounts owed by intermediate holding company	17,155	(4,029)	276	13,402

21 Parent undertaking and controlling party

The immediate parent undertaking is Moneybarn Group Limited, a company incorporated in England, United Kingdom.

The ultimate parent undertaking and controlling party is Vanquis Banking Group plc which is the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Vanquis Banking Group plc may be obtained from the Company Secretary, Vanquis Banking Group plc, No.1 Godwin Street, Bradford, BD1 2SU.