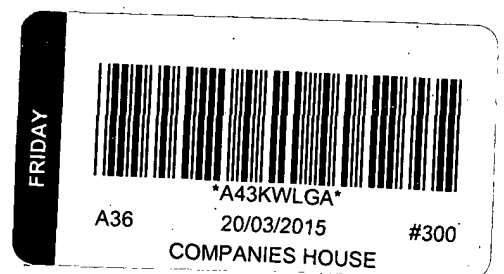


MONEYBARN GROUP LIMITED
(Company Number 4525773)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014



MONEYBARN GROUP LIMITED
(Company Number 4525773)

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MONEYBARN GROUP LIMITED
(Company Number 4525773)

DIRECTORS' REPORT

The company's immediate parent is Duncton Group Limited which in turn is owned by Provident Financial plc. The company became a wholly-owned subsidiary of Provident Financial plc on 20 August 2014 when Duncton Group was acquired by Provident Financial plc. Provident Financial plc is a public limited company, listed on the London Stock Exchange, which, together with its subsidiaries, forms the Provident Financial group (the group).

Principal activities and review of business

The principal activity of the company is that of a holding company. The principal activity of the company's subsidiaries is the financing of motor vehicles to individuals via conditional sale agreements.

Results

The statement of comprehensive income for the year is set out on page 5. The profit for the year of £505,000 (2013: £537,000) has been added to reserves.

Transition to IFRS

Following the acquisition of the company by Provident Financial plc on 20 August 2014, the company, and its subsidiaries, have adopted International Financial Reporting Standards (IFRS), as adopted by the European Union, as the principal accounting basis for producing statutory financial statements. This accounting basis is consistent with the financial statements of the group.

The financial statements for the year ended 31 December 2014 are presented in accordance with IFRS, as adopted by the European Union, with the prior year comparatives also restated from UK GAAP. The effect on the financial position and financial performance is explained in note 15. The cash flows of the business are not affected by the transition from UK GAAP to IFRS.

Dividends

During the year ended 31 December 2014, the directors paid an interim dividend on the ordinary shares of the company of £500,000 (2013: £400,000), which has been deducted from reserves.

Directors

The directors of the company during the year ended 31 December 2014, all of whom were directors for the whole year then ended, except where stated, were:

P S Crook	Chairman	(Appointed 20 August 2014)
J R Crosby		(Resigned 20 August 2014)
E J fforde		(Resigned 20 August 2014)
A C Fisher		(Appointed 20 August 2014)
O D Harris		(Resigned 20 August 2014)
D A Hoare		(Resigned 20 August 2014)
S Hodgson		(Appointed 20 August 2014)
S D K Law		
P Minter		

Consolidation exemption

The company is not required to produce consolidated accounts for its subsidiaries as the ultimate parent of the company, Provident Financial plc, produces a consolidation which includes the company and its subsidiaries. The financial statements for Provident Financial plc are publicly available.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

DIRECTORS' REPORT (CONTINUED)

Exemption from preparing a strategic report

In accordance with section 414B of Companies Act 2006, the company has taken advantage of the exemption for small companies from preparing a strategic report.

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 he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (ii) he has taken all reasonable steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Following the change in ownership of the company, Grant Thornton UK LLP resigned as statutory auditor. Deloitte LLP were appointed as auditor, and a resolution proposing their reappointment will be proposed at the forthcoming annual general meeting of the group.

BY ORDER OF THE BOARD



E G Versluys
Company Secretary
Bradford
11 March 2015

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

BY ORDER OF THE BOARD



E G Versluys
Company Secretary
Bradford
11 March 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MONEYBARN GROUP LIMITED

We have audited the financial statements of Moneybarn Group Limited for the year ended 31 December 2014 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in shareholder's equity, the cash flow statement, the statement of accounting policies, the financial and capital risk management report and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

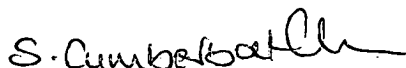
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report.



Stewart Cumberbatch ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
11 March 2015

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2014 £'000	2013 £'000
Revenue	1	507	537
Administrative costs		(2)	-
Profit before taxation	2	505	537
Tax charge	3	-	-
Profit and total comprehensive income for the year		505	537

All of the above operations relate to continuing operations.

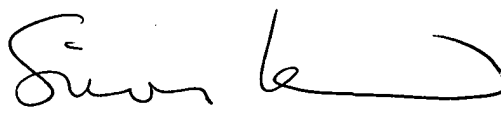
MONEYBARN GROUP LIMITED
(Company Number 4525773)

BALANCE SHEET

	Note	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
ASSETS				
Non-current assets				
Investment in subsidiaries	6	-	-	-
Current assets				
Financial assets:				
- cash and cash equivalents		38	110	-
- trade and other receivables	8	3,852	3,856	3,836
Total assets		3,890	3,966	3,836
LIABILITIES				
Current liabilities				
Financial liabilities:				
- trade and other payables	9	(1,820)	(1,901)	(1,907)
Current tax liabilities		-	-	(1)
		(1,820)	(1,901)	(1,908)
Non-current liabilities				
Financial liabilities:				
- borrowings	10	(900)	(900)	(900)
Total liabilities		(2,720)	(2,801)	(2,808)
NET ASSETS		1,170	1,165	1,028
SHAREHOLDERS' EQUITY				
Share capital	11	1	1	1
Share premium account		1,159	1,159	1,159
Retained earnings/(deficit)		10	5	(132)
TOTAL SHAREHOLDERS' EQUITY		1,170	1,165	1,028

The financial statements on pages 5 to 16 were approved by the board of directors on 11 March 2015 and signed on its behalf by:


Peter Minter
Director


Simon Law
Director

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Called-up share capital £'000	Share premium account £'000	Retained earnings/(deficit) £'000	Total £'000
At 1 January 2013		1	1,159	(132)	1,028
Profit and total comprehensive income for the year		-	-	537	537
Transactions with owners:					
- dividends	4	-	-	(400)	(400)
At 31 December 2013		1	1,159	5	1,165
At 1 January 2014		1	1,159	5	1,165
Profit and total comprehensive income for the year		-	-	505	505
Transactions with owners:					
- dividends	4	-	-	(500)	(500)
At 31 December 2014		1	1,159	10	1,170

STATEMENT OF CASH FLOWS

	Note	2014 £'000	2013 £'000
for the year ended 31 December			
Cash flows used in operating activities			
Cash used in operations	14	(72)	(20)
Net cash used in operating activities		(72)	(20)
Cash flows from investing activities			
Dividends received	1	500	530
Net cash generated from investing activities		500	530
Cash flows from financing activities			
Dividends paid to company shareholder	4	(500)	(400)
Net cash used in financing activities		(500)	(400)
Net (decrease)/increase in cash, cash equivalents and overdrafts		(72)	110
Cash and cash equivalents at beginning of year		110	-
Cash and cash equivalents at end of year		38	110

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF ACCOUNTING POLICIES

General information

The company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is The New Barn, Bedford Road, Petersfield, Hampshire, GU32 3LJ.

The principal activity of the company is that of a holding company. The principal activity of the company's subsidiaries is the financing of motor vehicles to individuals via conditional sale agreements.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union (EU), International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements are the Company's first financial statements prepared in accordance with IFRS and IFRS 1, 'First time Adoption of International Financial Reporting Standards' has been applied. An explanation of how the transition to IFRS has affected the comparative total comprehensive income and the opening and comparative balance sheet of the company is provided in note 15.

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

The company's accounting policies are chosen by the directors to ensure that the financial statements present a true and fair view. In accordance with section 400 of the Companies Act 2006 consolidated accounts are not presented since the company is a wholly owned subsidiary undertaking of Provident Financial plc, a company incorporated in the United Kingdom.

Principal accounting policies

These are the company's first financial statements prepared in accordance with IFRS. The impact of the transition to IFRS is covered in note 15.

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

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue comprises dividends received from group undertakings and is recognised on an accruals basis.

Management fees

Management fees comprise amounts charged to fellow subsidiaries for professional services and are recognised on an accruals basis.

Dividend income

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

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Dividends

Dividend distributions to the company's shareholder are recognised in the financial statements when approved by the company's board of directors.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The tax credit/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 substantially enacted by the balance sheet date. Taxable profit differs from profit before taxation as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially 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.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

FINANCIAL AND CAPITAL RISK MANAGEMENT

Moneybarn Group Limited (the company) is a wholly-owned subsidiary of Provident Financial plc which, together with its subsidiaries, forms the Provident Financial group (the group).

The overall group internal control and risk management framework is the responsibility of the group board with certain responsibilities in respect of internal control and risk management being delegated to various sub-committees who report directly to the board. An overview of the group's risk management framework can be found in the annual report of Provident Financial plc.

The group operates with a centralised treasury function and therefore the funding requirements of the company are met wholly or partially via funding from Provident Financial plc or one of its subsidiaries. In addition, the allocation of capital is managed on a group basis by the centralised treasury function.

Accordingly, it is inappropriate to consider the management of liquidity risk, interest rate risk, market risk and capital risk on a stand-alone company basis.

(a) Liquidity risk

Liquidity risk is the risk that the group will have insufficient liquid resources available to fulfil its operational plans and/or to meet its financial obligations as they fall due.

Liquidity risk is managed by the group's centralised treasury department through daily monitoring of expected cash flows in accordance with a board-approved group funding and liquidity policy. This process is monitored regularly by the group treasury committee.

The group's funding and liquidity policy is designed to ensure that the group is able to continue to fund the growth of the business. The group therefore maintains committed borrowing facilities and access to retail deposit funding through its subsidiary, Vanquis Bank Limited, to meet forecast borrowing requirements, including contractual maturities, at all times for at least the following 12 months. As at 31 December 2014, the group's committed borrowing facilities had a weighted average maturity of 3.1 years (2013: 3.2 years) and the headroom on these committed facilities amounted to £111.5m (2013: £235.2m).

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by the Consumer Credit Division are of short-term duration (typically around one year), whereas the group's borrowings extend over a number of years.

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

(b) Interest rate risk

Interest rate risk is the risk of a change in external interest rates which leads to an increase in the company's cost of borrowing.

The group's exposure to movements in interest rates is managed by the group treasury committee and is governed by a board-approved interest rate hedging policy which forms part of the group's treasury policies. The group seeks to limit the net exposure to changes in sterling interest rates. This is achieved through a combination of issuing fixed-rate debt and by the use of derivative financial instruments such as interest rate swaps.

A 2% movement in the interest rate applied to borrowings during 2014 and 2013 would not have had a material impact on the group's profit before taxation or equity as the group's interest rate risk was substantially hedged. Further details of the interest rate risk management are detailed within the annual report of Provident Financial plc.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

FINANCIAL AND CAPITAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Market risk is the risk of loss due to adverse market movements caused by active trading positions taken in interest rates, foreign exchange markets, bonds and equities. The company's and group's policies do not permit it or the group to undertake position taking or trading books of this type and therefore neither it or the group does so.

(d) Capital risk

Capital risk is managed by the group's centralised treasury department. The group manages capital risk by focussing on capital efficiency and effective risk management. This aims to maintain sufficient, but not excessive, financial strength, optimise the debt to equity structure of the company and support dividend payments to the parent. 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 of Provident Financial plc.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2014 £'000	2013 £'000
Dividends received from group undertakings	500	530
Other income	7	7
Total revenue	507	537

2 Profit before taxation

The company has no employees, therefore, no disclosure of amounts paid to employees is shown as a deduction from profit.

	2014 £'000	2013 £'000
Auditors' remuneration		
Fees payable to the company's auditor for the audit of the financial statements	2	-
Total auditors' remuneration	2	-

The 2013 audit fee was borne by Moneybarn Limited.

The company is not party to any operating lease contracts.

3 Tax

No tax has been charged to the income statement in the period (2013: £nil).

The standard rate of UK corporation tax reduced from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015.

The rate of tax charged on the profit before taxation for the year is lower than (2013: lower than) the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). This can be reconciled as follows:

	2014 £'000	2013 £'000
Profit before taxation	505	537
Profit before taxation multiplied by the average standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	(109)	(125)
Effects of:		
- non-taxable income	109	123
- utilisation of unrecognised tax losses	-	2
Total tax charge	-	-

4 Dividends

	2014 £'000	2013 £'000
Interim 407.38p per share (2013: 325.90p per share)	500	400
Dividends paid	500	400

5 Employee Information and directors' remuneration

The company has no employees other than directors, the cost of which is borne by Moneybarn Limited.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Investment in subsidiaries

	31 December 2014	31 December 2013	at 1 January 2013
	£	£	£
Cost and net book value			
Investments in subsidiary companies	9	9	9

The directors consider the value of investments to be supported by their underlying assets.

The following are all direct subsidiary undertakings which, in the opinion of the directors, principally affect the profit or assets of the company, all of which are incorporated in England and are 100% owned by the company.

Company	Class of capital	Principal activity
Moneybarn Limited	Ordinary	Service company
Moneybarn No.1 Limited	Ordinary	Vehicle finance
Moneybarn Vehicle Finance Limited	Ordinary	Dormant

The above companies operate principally in their country of incorporation or registration.

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 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 IAS 39.

31 December 2014			
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	38	-	38
Trade and other receivables	3,852	-	3,852
Total assets	3,890	-	3,890
Liabilities			
Trade and other payables	-	(2,720)	(2,720)
Total liabilities	-	(2,720)	(2,720)
31 December 2013			
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	110	-	110
Trade and other receivables	3,856	-	3,856
Total assets	3,966	-	3,966
Liabilities			
Trade and other payables	-	(2,801)	(2,801)
Total liabilities	-	(2,801)	(2,801)
1 January 2013			
	Loans and receivables £'000	Amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	3,836	-	3,836
Total assets	3,836	-	3,836
Liabilities			
Trade and other payables	-	(2,807)	(2,807)
Current tax liability	-	(1)	(1)
Total liabilities	-	(2,808)	(2,808)

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Trade and other receivables

	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
Current assets			
Amounts owed by fellow subsidiary undertakings	3,852	3,856	3,836
Total	3,852	3,856	3,836

The fair value of trade and other receivables equates to their book value (31 December 2013 and at 1 January 2013: fair value equated to book value). All trade and other receivables are classified as level 2 in the IFRS 13 fair value hierarchy.

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

The maximum exposure to credit risk of trade and other receivables is the carrying value of each class of receivable set out above (31 December 2013 and at 1 January 2013: carrying value).

9 Trade and other payables

	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
Current liabilities			
Amounts owed to fellow subsidiary undertakings	1,820	1,901	1,907
Total	1,820	1,901	1,907

The fair value of trade and other payables equates to their book value (31 December 2013 and 1 January 2013: fair value equated to book value). The amounts owed to subsidiary and fellow subsidiary undertakings are unsecured, due for repayment in less than one year and do not accrue interest. All trade and other payables are classified as level 2 in the IFRS 13 fair value hierarchy.

10 Borrowings

	31 December 2014 £'000	31 December 2013 £'000	1 January 2013 £'000
Non-current liabilities			
Borrowings	900	900	900
Total	900	900	900

The amounts in other borrowings are secured on customer receivables, are due for repayment in more than one year and do not accrue interest.

11 Share capital

	31 December 2014 Issued and fully paid	31 December 2013 Issued and fully paid	1 January 2013 Issued and fully paid
Ordinary shares of 1p each (£)	1,227	1,227	1,227
Number of shares	122,737	122,737	122,737

There are no shares issued and not fully paid at the end of the year (31 December 2013 and 1 January 2013: no shares).

12 Related party transactions

Details of the transactions between the company and other group undertakings, which comprise management recharges and any balances outstanding at 31 December are set out below:

	2014 Management recharge £'000	2014 Outstanding balance £'000	2013 Management recharge £'000	2013 Outstanding balance £'000
Company				
Immediate parent undertaking	-	(873)	-	(873)
Other subsidiaries of the immediate parent undertaking	(5)	2,905	-	2,828
Total	(5)	2,032	-	1,955

MONEYBARN GROUP LIMITED
(Company Number 4525773)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Contingent liabilities

The company is a guarantor in respect of: (i) borrowings made by the company's ultimate parent undertaking; and (ii) guarantees given by the company's ultimate parent undertaking in respect of borrowings of certain of its subsidiaries to a maximum of £1,013.0m (31 December 2013 and 1 January 2013: £nil). At 31 December 2014, the borrowings amounted to £901.5m (31 December 2013 and 1 January 2013: £nil). No loss is expected to arise.

14 Reconciliation of profit after taxation to cash used in operations

	Note	2014 £'000	2013 £'000
Profit after taxation		505	537
Adjusted for:			
- dividends received	1	(500)	(530)
- tax credit		-	(1)
Changes in operating assets and liabilities:			
- trade and other receivables		4	(20)
- trade and other payables		(81)	(6)
Cash used in operations		(72)	(20)

15 Transition to IFRS

These are the company's first financial statements prepared in accordance with IFRS.

The principal accounting policies set out in the statement of accounting policies are compliant with IFRS and have been applied in preparing all periods covered in these financial statements.

IFRS 1 requires an entity to reconcile total comprehensive income and equity for prior periods. Due to the nature of the company's operations, the equity reported as at 1 January 2013 and 31 December 2014 and the total comprehensive income for the year ended 31 December 2014 is the same under both UK GAAP and IFRS. In addition, the company's first-time adoption of IFRS does not have an impact on the total operating, investing or financing cash flows.

16 Parent undertaking and controlling party

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