IPF FINANCING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

(Company Number 05001293)

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IPF FINANCING LIMITED
(Company Number 05001293)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Principal activities and going concern

The principal activity of the company is the provision of financing to members of the International Personal Finance plc (IPF plc) Group "the Group". As the vast majority of the company's transactions are denominated in Euro, the functional and reporting currency of the company is Euro.

The company participates in the group's centralised treasury arrangements and banking arrangements with its parent and fellow subsidiaries.

In considering whether the company is a going concern, the directors have made enquiries of the reviews performed by the directors of the ultimate parent company in assessing the Group's 2022 business plan and the impacts it is forecast to have on the company and the Group undertakings from which amounts are due as at 31 December 2021. The financial forecasts in the business plan have been stress tested in a range of downside scenarios to assess the impact that the Group's principal risks and uncertainties (including the medium and long-term impacts of the Covid-19 pandemic on the macro-economic environment) may have on future profitability, funding requirements and covenant compliance. In addition, the Group's debt facilities are forecast to be sufficient to fund business requirements for the foreseeable future and The Group is forecast to continue to operate with significant headroom over its key financial covenants.

As at 31 December 2021, the company has net assets of €75,716,000 (2020: €123,643,000) and net current assets of €75,451,000 (2020: €123,777,000). On the basis of their assessment of the company's financial position and of the enquiries made of the directors of International Personal Finance plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence in the next 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Results and business review

The profit and loss account for the year is set out on page 9. The profit after tax and before dividends for the year of €33,438,000 (2020: €35,838,000) has been added to reserves, net of dividends totalling €80,000,000 declared and paid during 2021. The company's result for the year benefited from interest receivable on loans advanced to other Group undertakings totalling €68,190,000 (2020: €61,245,000), net of interest payable on loans from other Group undertakings of €32,920,000 (2020: €25,081,000).

3. Principal risks and uncertainties

The directors manage the Companies operating risks at entity level. The principal risk to the Company is;

- The company is subject to a risk of credit default on its intercompany debtor balances. The repayment is dependent on the performance of the counterparties which is reviewed on a regular basis. During the year these reviews have included consideration of the impact that volatility in macro-economic factors affecting the businesses, including the medium to long term impacts of the Covid-19 pandemic, has had on the ability of counterparties to repay these balances in full on their maturity. Following this review the directors remain confident that the balances due can be recovered.

In addition, the directors of International Personal Finance plc manage the Group's risks at a Group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company's business. The principal risks and uncertainties of International Personal Finance plc, which include those of the company, are reported within the 'Principal risks and uncertainties' section of the Group's annual report, which does not form part of this report, but is publicly available.

IPF FINANCING LIMITED
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STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

4. **Key performance indicators (KPIs)**

Given the nature of the business, the company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Management do not use KPIs to assess this business.

5. **Future Development**

The company provides financing to other members of the Group, the general level of activity expected is to remain consistent in the forthcoming year.

APPROVED BY ORDER OF THE BOARD

L S Dobson

L Dobson
Company Secretary

LEEDS

17 June 2022

IPF FINANCING LIMITED
(Company Number 05001293)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report together with the audited financial statements of the company and the auditor's report for the year ended 31 December 2021.

1. **Dividend**

During the year the company declared and paid dividends of €80,000,000 (2020: declared and paid €nil).

2. **Directors**

The directors of the company at 31 December 2021 and at the date of this report, all of whom were directors for the whole of the year then ended, except where stated, were:

S Taylor
J Williams

3. **Capital structure**

The company's capital structure includes a combination of ordinary called-up share capital and retained earnings.

4. **Events after the balance sheet date**

The directors confirm that there have been no events requiring recognition or disclosure after the balance sheet date.

5. **Disclosure of information to the auditor**

As far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps that they 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. This statement is given and should be interpreted in accordance with the provision of section 418(2) of the Companies Act 2006.

IPF FINANCING LIMITED
(Company Number 05001293)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

6. **Auditor**

The auditors Deloitte LLP are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

7. **Indemnity**

Our Articles permit us to indemnify our directors (or those of an associated company) in accordance with the Act. However, no qualifying indemnity provisions were in force in 2021 or at any time up to 17 June 2022.

As permitted by section 414C(11) of the Companies Act 2006, certain information is shown in the Strategic report and included in this Directors' report by cross reference. This information is:

- Principal activities of the Company
- Business review and outlook
- Results and dividends
- Principal risks and uncertainties

APPROVED BY ORDER OF THE BOARD

L J Dobson

L. Dobson
Company Secretary

LEEDS
17 June 2022

IPF FINANCING LIMITED
(Company Number 05001293)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVED BY ORDER OF THE BOARD

L S Dobson

L Dobson
Company Secretary

LEEDS

17 June 2022

IPF FINANCING LIMITED

Independent auditor's report to the members of IPF Financing Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements IPF Financing Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 about their own identification and assessment of the risks of irregularities.

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.

We discussed among the audit engagement team 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.

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 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.

Independent auditor's report to the members of IPF Financing Limited (continued)

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.

Peter Birch FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
17 June 2022

IPF FINANCING LIMITED
(Company Number 05001293)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER

	Notes	2021 €'000	2020 €'000
Administrative expense	3	(444)	(73)
OPERATING LOSS		(444)	(73)
Interest payable and similar charges	4	(32,920)	(25,081)
Interest receivable	4	68,190	61,245
PROFIT BEFORE TAXATION	3	34,826	36,091
Tax charge on profit	7	(1,388)	(253)
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		33,438	35,838

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	Notes	2021 €'000	2020 €'000
PROFIT FOR THE YEAR		33,438	35,838
Items that will subsequently be reclassified to profit or loss when specific conditions are met:			
(Losses) on hedging reserve	13	(1,764)	(538)
Taxation credit on hedging reserve	13	399	78
Total comprehensive income for the year		32,073	35,378

The results shown in the Profit and loss account derive wholly from continuing activities.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above.

The notes on pages 12 to 18 form part of these financial statements.

IPF FINANCING LIMITED
(Company Number 05001293)

BALANCE SHEET AS AT 31 DECEMBER

	Notes	2021 €'000	2020 €'000
NON CURRENT ASSETS			
Deferred taxation	11	265	-
		265	-
CURRENT ASSETS			
Debtors – due within one year	9	474,996	537,956
Cash at bank and in hand		6,555	22,929
		481,551	560,885
CREDITORS: amounts falling due within one year	10	(406,100)	(437,108)
NET CURRENT ASSETS		75,451	123,777
TOTAL ASSETS LESS CURRENT LIABILITIES		75,716	123,777
Deferred taxation	11	-	(134)
NET ASSETS		75,716	123,643
CAPITAL AND RESERVES			
Called-up share capital	12	60	60
Hedging reserve	13	(794)	571
Profit and loss account		76,450	123,012
		75,716	123,643

These financial statements on pages 9 to 18 were approved and authorised for issue by the board of directors on 17 June 2022 and were signed on its behalf by:

S Taylor

J Williams

(Directors)

IPF FINANCING LIMITED
(Company Number 05001293)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

	Called-up share capital Note 12 €'000	Hedging reserve Note 13 €'000	Profit and loss account €'000	Total €'000
Balance at 1 January 2020	60	1,031	87,174	88,265
Profit for the year	-	-	35,838	35,838
Hedging reserves	-	(460)	-	(460)
Total comprehensive (expense) / income for the year	-	(460)	35,838	35,378
Balance at 31 December 2020	60	571	123,012	123,643
Profit for the year	-	-	33,438	33,438
Hedging reserves	-	(1,365)	-	(1,365)
Total comprehensive (expense) / income for the year	-	(1,365)	33,438	32,073
Dividends paid (note 8)	-	-	(80,000)	(80,000)
Balance at 31 December 2021	60	(794)	76,450	75,716

1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year, unless otherwise stated.

a) Basis of accounting

IPF Financing Limited "the company" is a private company limited by shares incorporated and registered in England and Wales in the United Kingdom under the Companies Act. The address of the registered office is given in note 16. The nature of the company's operations and its principal activity are set out in the strategic report on page 1.

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council.

As permitted by FRS 101, exemptions from applying the following requirements have been adopted: IFRS 7 "Financial Instruments: Disclosures"; IAS 7 "Statement of Cash Flows; IAS 24; "Related Party Disclosures" paragraph 7; IAS 8 "Changes in Accounting Estimates and Errors" paragraphs 30-31; and IAS 36 "Impairment of Assets" paragraphs 134(d)-(f) and 135 (c) – (e).

The group financial statements of International Personal Finance plc are available to the public and can be obtained as set out in note 16.

b) Cash flow statement

As permitted by FRS 101, no cash flow statement is presented as the company is a wholly owned subsidiary undertaking of International Personal Finance plc and is included in the consolidated financial statements of International Personal Finance plc, which are publicly available.

c) Foreign exchange

The company's financial information is presented in Euros. Transactions that are not denominated in that currency are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Differences arising on translation are charged or credited to the Profit and loss account, except when deferred in equity as qualifying cash flow hedges.

d) Taxation

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the balance sheet date and is determined using the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation is not recognised on revalued assets unless there is a binding agreement at the balance sheet date to sell the revalued asset and the related gain has been recognised in the financial statements. Deferred taxation balances are not discounted.

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. Where withholding tax has been suffered on overseas income received, it has been accounted for as overseas tax.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. Principal accounting policies (continued)

e) Financial instruments

The company uses derivative financial instruments, principally forward currency contracts maturing within two years of the balance sheet date, to manage the currency risks arising from the company's underlying business operations. No transactions of a speculative nature are undertaken.

The adoption of IFRS 9 Financial Instruments has not resulted in the amendment of any of the measurement categories for, or carrying amounts of, the Group's financial instruments. The company continues to measure the hedge accounting criteria set out in IAS 39. All derivative financial instruments are assessed against the hedge accounting criteria set out in International Accounting Standard No. 39. All of the company's derivatives are cash flow hedges of highly probable forecast transactions and meet the hedge accounting requirements of International Accounting Standard No. 39 Derivatives are initially recognised at the fair value, classified at fair value through profit and loss "FVTPL" on the date a derivative contract is entered into and are subsequently remeasured at each reporting date at their fair value. Where derivatives do not qualify for hedge accounting, movements in their fair value are recognised immediately within the profit and loss account.

For derivatives that are designated as cash flow hedges and where the hedge accounting criteria are met, the effective portion of changes in the fair value is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account as part of administrative expenses. Amounts accumulated in equity are recognised in the profit and loss account when the income or expense on the hedged item is recognised in the profit and loss account.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market on the valuation date and the current market conditions, regardless of whether the price is directly observable or estimated using other valuation techniques. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants take these characteristics into account when pricing the asset or liability at the measurement date.

Moreover, for financial reporting purposes, the fair value measurements are categorized into level 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable, and the significance of the inputs to the fair value as a whole. These levels are as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities for which the entity has an access at the measurement date.

• Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

• Level 3 inputs are unobservable inputs for valuation of the asset or liability.

In measuring the fair value of assets or liabilities, the Company uses observable market data to the extent that this is possible.

1. Principal accounting policies (continued)

g) Going concern

The directors have, at the time of approving the Financial Statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (12 months from the date of these Financial Statements). Thus they continue to adopt the going concern basis of accounting in the Financial Statements. Further detail is contained in the Strategic Report on page 1.

h) Exceptional items

The company classifies as exceptional those significant items that are one-off in nature and do not reflect the underlying performance of the company.

i) Cash and cash equivalents

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

j) Debtors and Creditors

Debtors and creditors do not carry interest and are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. They are recognised when the Group's right to consideration is only conditional on the passage of time. Allowances incorporate an expectation of life-time credit losses from initial recognition and are determined using an expected credit loss approach.

k) Interest payable and Receivable

Interest is charged and credited at rates based on the cost of external finance.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The company's debtor balances are accounted for in accordance with IFRS 9 *Financial Instruments*. In assessing the recoverability of these balances, the directors are required to make estimates about the ability of counterparties to repay these loans in full on their maturity and the quantum of expected credit losses that the company expects to incur. As at 31 December 2021, the directors have an expectation that all outstanding balances will be repaid in full on their maturity and expected credit losses of £nil (2020: £nil) have therefore been recognised within the company's financial statements. In reaching their conclusions, the directors have considered the financial performance of the company's counterparties during 2021, the financial position of the company's counterparties as at 31 December 2021 and the impact that volatility in macro-economic factors affecting the businesses, including the medium to long term impacts of the Covid-19 pandemic, may have on the ability of counterparties to repay these balances in full on their maturity.

3. Profit before taxation

The profit before taxation is stated after charging:

	2021 €'000	2020 €'000
Auditor's remuneration:		
Fees payable to the auditor for the audit of the company's financial statements	3	3

4. Interest (payable)/receivable and similar charges

	2021 €'000	2020 €'000
Interest payable – Group	(32,920)	(25,081)
Interest receivable – Group	68,190	61,245

5. Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year (2020: £nil).

During the year one of the directors (2020: none) exercised 75,076 share options (2020: nil) in shares of the company's parent undertaking International Personal Finance plc. The exercise price of these options in 2021 was £nil (2020: £nil).

6. Employee information

The average monthly number of persons employed by the company, excluding executive directors, during the year was nil (2020: nil). For operational efficiency purposes, all employees of the Group are formally employed by the company's parent undertaking or fellow subsidiary undertakings. Group employees are able to exercise powers and perform duties in relation to the business of the company. During the year, costs of services provided to the company by these employees were passed to the company of €177,000 (2020: €69,000).

7. Tax charge on profit

(a) Analysis of tax charge for the year:

	2021 €'000	2020 €'000
Current tax		
UK corporation tax charge on profit for the year	(1,388)	(262)
Foreign tax	(1,388)	(262)
Double tax relief	1,388	262
Total current tax charge	(1,388)	(262)
Deferred tax		
Current year deferred tax	-	9
Tax charge on profit (note 7(b))	(1,388)	(253)

(b) Factors affecting tax charge for the year:
The tax charge for the year can be reconciled to the profit and loss account as follows:

	2021 €'000	2020 €'000
Profit before taxation	34,826	36,091
Expected tax charge calculated at the standard rate of corporation tax in the UK of 19% (2020: 19%)	(6,617)	(6,857)
Effects of:		
Group relief for nil payment	5,229	6,605
Movement in deferred tax rates	-	(1)
Total tax charge for the year (note 7(a))	(1,388)	(253)

(c) Factors that may affect future tax charges:

The headline rate of UK corporation tax reduced from 20% to 19% on 1 April 2017. On the 3rd March 2021 the UK Chancellor of the Exchequer announced that the corporation tax rate will increase from 19% to 25% from April 2023. The proposed change in the corporation tax rate was subsequently included in Finance Act 2021 which was substantively enacted on 24 May 2021.

8. Dividend

	2021 €'000	2020 €'000
Ordinary dividend paid of €1,600 (2020: nil) per ordinary share	80,000	-

9. Debtors

Amounts due within one year:

	2021 €'000	2020 €'000
Amounts owed by ultimate parent undertaking	190,741	256,354
Amounts owed by other Group undertakings	284,092	281,602
Derivatives – forward contracts	163	-
	474,996	537,956

Amounts owed by the ultimate parent undertaking and other Group undertakings are unsecured and are repayable according to an agreed repayment schedule. Interest is credited at rates based on the cost of external finance.

10. Creditors

Amounts falling due within one year:	2021 €'000	2020 €'000
Amounts owed to ultimate parent undertaking	339,088	93,110
Amounts owed to other Group undertakings	59,830	339,611
Derivatives – forward contracts	7,182	4,387
	406,100	437,108

Amounts owed to the ultimate parent are unsecured and are repayable according to an agreed repayment schedule. Interest is charged at rates based on the cost of external finance. Amounts owed to other Group undertakings include amounts where interest is charged at rates based on the cost of external finance.

11. Deferred taxation

a) Deferred taxation is recognised in the financial statements as follows:

	2021 €'000	2020 €'000
Origination and reversal of timing differences	265	(134)

b) The movement in deferred taxation during the year is as follows:

	2021 €'000
Deferred tax liability at 1 January 2021	(134)
Credited to the hedging reserve in the year (note 13)	399
Deferred tax asset at 31 December 2021	265

12. Called-up share capital

	2021 €'000	2020 €'000
Authorised		
50,000 ordinary shares of £1 each	60	60
Allotted, called-up and fully paid		
50,000 ordinary shares of £1 each	60	60

13. Hedging reserve

	2021 €'000	2020 €'000
At 1 January	571	1,031
Amounts recognised in the year	(5,766)	(3,777)
Amounts released to the profit and loss account	4,002	3,239
	(1,193)	493
Current year deferred tax on hedging reserve (note 11)	399	78
At 31 December	(794)	571

14. Financial instruments

The company has only one category of derivative financial instrument, fair value through profit and loss. The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The derivative balances are measured at fair value and are considered level 1 financial instruments.

15. Related party disclosure

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS 101 "Related Party Disclosures" from disclosing related party transactions with other entities included in the consolidated financial statements of International Personal Finance plc.

16. Parent undertakings

The immediate parent undertaking is International Personal Finance Investments Limited.

The company, whose liability is limited to a maximum of the share capital issued, is registered and domiciled in the United Kingdom, the registered office of the company is located at 26 Whitehall Road, Leeds LS12 1BE. The ultimate parent undertaking and controlling party is International Personal Finance plc, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of that company's consolidated financial statements can be obtained from the Company Secretary, International Personal Finance plc, 26 Whitehall Road, Leeds LS12 1BE or on the Group's website at www.ipfin.co.uk.