

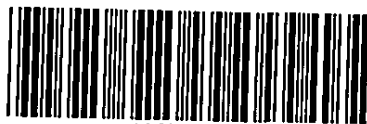
PCL Funding I Limited

Annual report

for the year ended 31 December 2013

Registered number 07623737

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PCL Funding I Limited

Annual report for the year ended 31 December 2013

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PCL Funding I Limited

Officers and professional advisors

Directors

Wilmington Trust SP Services (London) Limited
M H Filer
M McDermott

Registered office

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

Banks

Gresham Receivables (No 34) Ltd (Lloyds TSB Bank PLC)
Deutsche Bank AG, London Branch
Barclays Bank plc
Regency Assets Limited (HSBC Bank PLC)
Antalis S A (Societe Generale)
Bodiam Hill Ltd (Bank of America Merrill Lynch)
Citigroup

Administration Agent

Lloyds TSB Bank PLC

Registrar

Wilmington Trust SP Services (Dublin) Limited

Security Trustee

Deutsche Trustee Company Limited

Servicer

Premium Credit Limited

Independent Auditor

PricewaterhouseCoopers LLP

PCL Funding I Limited

Strategic Report

Review of the business

The company was incorporated on 5th May 2011 and remained dormant until 31st October 2012 when the securitisation facility was put in place, this being the date on which Premium Credit Limited was purchased by GTCR, an American Private Equity business. The initial purchase of receivables under the Receivables Purchase Agreement and the draw-down of funding under the securitisation facility were made on that date. Assets are irrevocably purchased by PCL Funding I Limited from Premium Credit Limited as part of the Receivables Purchase Agreement.

The results of the company for the year are set out in detail on pages 7 to 13. The profit for the financial year was £1,000 (2012 nil). The results for the prior year are for the two months ended 31st December 2012. The directors do not recommend the payment of a dividend.

Key performance indicators

The company produces monthly accounts, which are reviewed each quarter by the Board of Premium Credit Limited. The company produces a weekly detailed securitisation scorecard to monitor the performance of the portfolio against covenants included within the transaction documents. The company's directors are of the opinion that any further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Business strategy and future outlook

The strategy of the company is to purchase receivables under the Receivables Purchase Agreement and issue Variable Funding Notes (VFNs) and fixed term notes to the note purchasers. There are no plans for any changes to this strategy in the foreseeable future.

Principal risks and uncertainties

The company faces a number of business risks mainly due to external factors as detailed below.

Financial risk management

i) **Credit risk**

The company does not bear any residual credit risk relating to the receivable assets because any actual losses are sold back to Premium Credit Limited.

ii) **Liquidity risk**

There is a three year securitised funding facility in place which means that funds are available under the terms of this securitisation. This mitigates the liquidity risk of the company.

iii) **Interest rate risk**

The company has entered into a four year interest rate hedge which mitigates interest rate risk.

Other risks

Operational risks are assessed regularly by the directors and, where appropriate, mitigating actions are taken.

By order of the Board



For and on behalf of PCL Funding I Limited

Mark Filer

Director

1st April 2014

PCL Funding I Limited

Directors' report for the year ended 31 December 2013

The directors present their report and audited financial statements for the year ended 31 December 2013

Principal activities

The principal activity of the company is the purchase of receivables from Premium Credit Limited and the issuing of Variable Funding Notes (VFNs) and fixed term notes. PCL Funding I Limited (the purchaser) irrevocably acquires from time to time all of the seller's rights, title, benefit and interest in relevant receivables and their related rights under the Receivables Purchase Agreement. PCL Funding I Limited issues VFNs and term notes to purchasers. Each note bears interest on its note principal balance from the issue date payable in arrears on each settlement date in respect of the interest payment period ending on that settlement date. The rate of interest payable from time to time in respect of the note for each interest period is equal to the sum of i) the Interest Rate and ii) the Applicable Margin. Following the extension and amendment to the existing facility which had been put in place on 31st October 2012, funding is now provided through seven banks through a securitised funding facility of £1.15bn which was amended in October 2013.

Directors

The directors who were in office during the year and up to the date of signing the financial statements were

Wilmington Trust SP Services (London) Limited

M. H. Filer

M. McDermott

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- prepare the financial statements on a 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.

PCL Funding I Limited

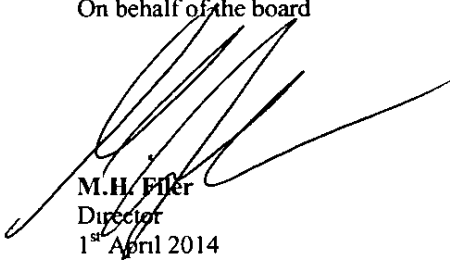
Directors' report for the year ended 31 December 2013 *(continued)*

Statement of disclosure of information to auditors

Each person who is a director at the time of approval of the financial statements confirms the following

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



M.H. Filer
Director
1st April 2014

PCL Funding I Limited

Independent auditors' report to the members of PCL Funding I Limited

Report on the financial statements

Our opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by PCL Funding I Limited comprise

- the profit and loss account,
- the balance sheet, and
- the related notes, to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). 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 financial statements 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 matter prescribed by the Companies Act 2006

In our opinion 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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

PCL Funding I Limited

Independent auditors' report to the members of PCL Funding I Limited

(continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

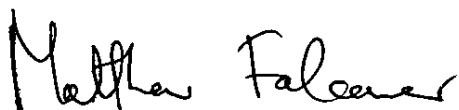
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Matthew Falconer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1st April 2014

PCL Funding I Limited

Profit and loss account for the year ended 31 December 2013

| | Note | 2013 | 2012 |
|---|------|----------|---------|
| | | £'000 | £'000 |
| Interest receivable and similar income | 3 | 25,882 | 4,264 |
| Interest payable and similar charges | 4 | (25,882) | (4,264) |
| Operating result | | - | - |
| Other operating income | 5 | 9,173 | 1,387 |
| Administrative expenses | 6 | (9,172) | (1,387) |
| Profit/result on ordinary activities before taxation | 8 | 1 | - |
| Tax on profit on ordinary activities | 9 | - | - |
| Profit/ result for the financial year | | 1 | - |

There is no material difference between the above results and their historical cost equivalents

Results relate to continuing operations

There are no recognised gains or losses for the current year or the previous year other than the profit/result on ordinary activities after taxation disclosed above. Accordingly no statement of total recognised gains and losses is given.

PCL Funding I Limited

Balance sheet as at 31 December 2013

| | Note | 2013 £'000 | 2012 £'000 |
|--|------|------------------|------------------|
| Current assets | | | |
| Debtors | 10 | 831,284 | 766,263 |
| Cash at bank and in hand | | 33,135 | 28,071 |
| | | <u>864,419</u> | <u>794,334</u> |
| Creditors: amounts falling due within one year | 11 | (464,418) | (394,334) |
| Net current assets | | 400,001 | 400,000 |
| Creditors: amounts falling due after more than one year | 12 | (400,000) | (400,000) |
| Net assets | | <u><u>1</u></u> | <u><u>-</u></u> |
| Capital and reserves | | | |
| Called up share capital | 13 | - | - |
| Profit and loss account | 14 | 1 | - |
| Total shareholders' funds | 15 | <u><u>1</u></u> | <u><u>-</u></u> |

These financial statements and notes on pages 7 to 13 were approved by the board of directors on and were signed on 1st April 2014 on its behalf by


M. Flier
 Director
 PCL Funding I Limited
 Company Number 07623737

PCL Funding I Limited

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

A summary of the principal accounting policies, which have been applied consistently, is set out below

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

Interest receivable and payable

Interest receivable and payable are recognised in the profit and loss account on an accruals basis. Interest receivable represents amounts due to PCL Funding I Limited on the deemed loan from Premium Credit Limited as originator. Interest expense is the amount due to the note purchasers under the securitisation funding facility. The rate of interest payable from time to time in respect of the note for each interest period is equal to the sum of i) the Interest Rate and ii) the Applicable Margin. The company has also entered into a four year interest rate swap. The interest costs incurred have been charged to the profit and loss account on an accruals basis.

Other income

Other income is the recovery of expenses incurred and paid for by the company from the servicer, Premium Credit Limited.

Administrative expenses

All expenses incurred and paid for by the company are recovered from the servicer, Premium Credit Limited.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deemed loan to originator

The company purchased a beneficial interest in the receivable assets from Premium Credit Limited on 31st October 2012. However as the principal risks and rewards associated with the transferred assets remain with Premium Credit Limited, these assets are not deemed for accounting purposes to have been transferred to the company. Accordingly the company accounts for the transaction as a deemed loan to Premium Credit Limited as Originator.

Creditors

The company has a Sterling denominated Variable Note Issuance Programme in place. The VFNs are repaid or issued as the underlying assets decrease or increase. The VFN holders receive interest and receive or pay principal on a weekly basis. The company also has a Sterling denominated term note which is fixed for three years up to 31st October 2016.

Impairment losses

There is no risk of impairment loss as there is full recourse back to Premium Credit Limited who bears all the risk.

PCL Funding I Limited

Notes to the financial statements for the year ended 31 December 2013 *(continued)*

1 Accounting policies *(continued)*

Cash flow statement

The directors regard Mizzen Topco S C A , a company incorporated in Luxembourg as the ultimate parent company (see note 16) The largest company incorporated in the United Kingdom into which the company is consolidated as at 31st December 2013 is Mizzen Mezzco Limited Accordingly the cash flows of the company are included in the Mizzen Mezzco Limited consolidated cash flow statement and, under the provisions of FRS 1 "Cash Flow Statements (Revised 1996)" the company is exempt from publishing a cash flow statement

2 Segmental reporting

The whole of the company's operations are carried out in the United Kingdom and the results and net assets are derived from the purchase of the receivable assets from Premium Credit Limited

3 Interest receivable and similar income

| | Year ended 2013 £'000 | Period ended 2012 £'000 |
|---|-----------------------------|-------------------------------|
| Interest receivable on loan to originator | 25,882 | 4,264 |

4 Interest payable and similar charges

| | Year ended 2013 £'000 | Period ended 2012 £'000 |
|---------------------------------|-----------------------------|-------------------------------|
| Interest on VFNs and term notes | 23,523 | 3,877 |
| Interest on interest rate swap | 2,359 | 387 |
| | <u>25,882</u> | <u>4,264</u> |

5 Other operating income

| | Year ended 2013 £'000 | Period ended 2012 £'000 |
|---|-----------------------------|-------------------------------|
| Servicer and other fees recovered from Premium Credit Limited | 9,173 | 1,388 |

6 Administrative expenses

| | Year ended 2013 £'000 | Period ended 2012 £'000 |
|---------------------------------|-----------------------------|-------------------------------|
| Servicer and other fees payable | 9,172 | 1,388 |

All administrative expenses incurred and paid for by the company are recovered from the seller (Premium Credit Limited)

PCL Funding I Limited

Notes to the financial statements for the year ended 31 December 2013 *(continued)*

7 Employee information

The company has no employees (2012 nil) There are no directors' emoluments (2012 nil)

8 Profit/result on ordinary activities before taxation

| | Year ended 2013 £'000 | Period ended 2012 £'000 |
|---|-----------------------------|-------------------------------|
| Profit/result on ordinary activities before taxation is stated after charging | | |
| Auditors' remuneration | | |
| Fees payable to the company's auditor for the audit of the company's annual financial statements, but borne by Premium Credit Limited | 32 | 32 |

9 Tax on profit on ordinary activities

Analysis of tax in the year

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Current tax: | | |
| UK corporation tax on profit for the year | 0.2 | - |
| Current tax and tax on profit on ordinary activities | 0.2 | - |

The standard rate of corporation tax in the United Kingdom changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at a standard effective rate of 23.25%. During the period legislation was enacted to reduce the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015.

10 Debtors

| | 2013 £'000 | 2012 £'000 |
|--------------------|---------------|---------------|
| Loan to originator | 831,284 | 766,263 |

The company first purchased a beneficial interest in the receivable assets from Premium Credit Limited on 31st October 2012. However as the principal risks and rewards associated with the transferred assets remain with Premium Credit Limited, these assets are not deemed for accounting purposes to have been transferred to the company. Accordingly the company accounts for the transaction as a loan to Premium Credit Limited as Originator.

The loan to Premium Credit Limited is secured on the beneficial interest in the receivable assets originated by Premium Credit Limited. The repayment of the loan to originator is directly linked to the payments of the variable funding notes.

The loan to originator falls due within one year.

PCL Funding I Limited

Notes to the financial statements for the year ended 31 December 2013 *(continued)*

11 Creditors: amounts falling due within one year

| | 2013 £'000 | 2012 £'000 |
|--------------|---------------|---------------|
| Loans - VFNs | 464,418 | 394,334 |

PCL Funding I Limited has a Sterling denominated Variable Note Issuance Programme in place. The VFNs are repaid or issued as the underlying assets decrease or increase. The VFN holders receive interest and receive or pay principal on a weekly basis.

12 Creditors: amounts falling due after more than one year

| | 2013 £'000 | 2012 £'000 |
|--------------------|---------------|---------------|
| Loans – Term Notes | 400,000 | 400,000 |

PCL Funding I Limited has a Sterling denominated term note which is fixed for three years up to 31st October 2016.

13 Called up share capital

| | 2013 £'000 | 2012 £'000 |
|--------------------------------|---------------|---------------|
| <i>Allotted and fully paid</i> | | |
| 1 ordinary share of £1 | - | - |

14 Profit and Loss Account

| | Year ended 2013 £'000 |
|-------------------------------|-----------------------------|
| At 1 January | - |
| Profit for the financial year | 1 |
| At 31 December | 1 |

15 Reconciliation of the movement in shareholders' funds

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Opening shareholders' funds at 1 January | - | - |
| Profit for the financial year | 1 | - |
| Closing shareholders' funds at 31 December | 1 | - |

PCL Funding I Limited

Notes to the financial statements for the year ended 31 December 2013 *(continued)*

16 Related party transactions

Premium Credit Limited is both the seller, servicer and collection account trustee to PCL Funding I Limited. Two of the directors of PCL Funding I Limited are also directors of Gresham Receivables (No 34) Limited, which is one of the note purchasers.

17 Ultimate parent company

The shares are held by Wilmington Trust SP Services (London) Limited under a declaration of trust for charitable purposes. At 31 December 2013 the directors regarded Mizzen Topco S C A, a company incorporated in Luxembourg as the ultimate parent company. By virtue of significant influence, the largest group in which the results of the company will be consolidated is that headed by Mizzen Mezzco Limited, a company incorporated in the United Kingdom. Financial statements for the ultimate parent company are being prepared for the period ended 31 December 2013 as the company was only incorporated on 14th August 2012.