

FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

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FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

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FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

DIRECTOR'S REPORT

First Tower LP (1) Limited (the company) is a wholly-owned subsidiary of Provident Financial plc which, together with its subsidiaries, forms the Provident Financial group (the group). Provident Financial plc is a public limited company, listed on the London Stock Exchange.

Principal activities and review of business

The company owns an interest as a limited partner in the First Tower Limited Partnership ("the partnership"), an entity which holds a beneficial leasehold interest in office accommodation.

Both the level of business and the year end financial position were satisfactory and the director expects that the present level activity will be sustained for the foreseeable future.

Transition to IFRS

Following the removal in 2011 of a legacy requirement for certain bank covenants to be reported on a UK GAAP basis, the company, and all of the other group's subsidiaries, have adopted International Financial Reporting Standards (IFRS) as their principal accounting basis for producing statutory financial statements. The financial statements for the year ended 31 December 2011 are therefore presented in accordance with IFRS with the prior year comparatives also restated from UK GAAP.

Results

The statement of comprehensive income for the year is set out on page 4. The company made a loss in the year of £44 (2010: £48).

Dividends

The director does not recommend the payment of a dividend (2010: £nil).

Directors

The director of the company during the year ended 31 December 2011, who was director for the whole of the year then ended, was:

K J Mullen

Principal risks and uncertainties and financial risk management

The company participates in the group-wide risk management framework of Provident Financial plc which incorporates financial risk management. Details of the group's risk management framework together with the group's principal risks and uncertainties are set out in the annual report of Provident Financial plc which is publicly available.

Key performance indicators (KPIs)

Given the straightforward 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.

Auditor information

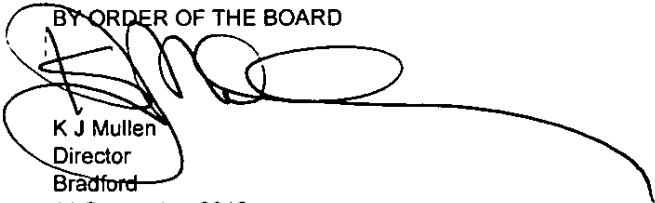
In accordance with section 18 of the Companies Act 2006, the director at the date of this report has confirmed that:

- (i) so far as the director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Auditors

PricewaterhouseCoopers LLP will be replaced by Deloitte LLP as auditors to the company for the next financial year.

BY ORDER OF THE BOARD



K J Mullen
Director
Bradford

11 September 2012

Registered office: Unit 6B, First Floor, Highland House, St Catherine's Road, Perth, Scotland, PH1 5YA.

FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and applicable law. Under company law the director 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 International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The director is 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. The director is 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

A large, stylized handwritten signature in black ink, appearing to be 'K J Mullen', is written over the printed name and title.

K J Mullen
Director
Bradford

11 September 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIRST TOWER LP (1) LIMITED

We have audited the financial statements of First Tower LP (1) Limited for the year ended 31 December 2011 which comprise the statement of comprehensive income, balance sheet, statement of changes in shareholders equity, statement of accounting policies, financial and capital risk management and related notes. 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities on page 2 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.

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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss 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 director's 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.



Randal Casson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
11 September 2012

FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December	Note	2011 £	2010 £
Revenue	1	250	250
Operating costs		(294)	(298)
Loss and total comprehensive income for the year		(44)	(48)

All of the above operations relate to continuing operations.

BALANCE SHEET

	Note	31 December 2011 £	31 December 2010 £	1 January 2010 £
ASSETS				
Non-current assets				
Investments	5	167	167	167
Current assets				
Financial assets:				
- cash and cash equivalents		2,086	2,086	2,086
- trade and other receivables	6	1,747	1,497	1,247
Total assets		4,000	3,750	3,500
LIABILITIES				
Current liabilities				
Financial liabilities				
- trade and other payables	7	(3,847)	(3,553)	(3,255)
NET ASSETS		153	197	245

SHAREHOLDERS' EQUITY

Share capital	8	167	167	167
Retained earnings		(14)	30	78
TOTAL SHAREHOLDERS' EQUITY		153	197	245

The financial statements on pages 4 to 10 were approved by the board of directors on 11 September 2012 and signed on its behalf by:


K J Muller
Director

11 September 2012

FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £	Retained earnings £	Total £
At 1 January 2010	167	78	245
Loss and total comprehensive income for the year	-	(48)	(48)
At 31 December 2010	167	30	197
At 1 January 2011	167	30	197
Loss and total comprehensive income for the year	-	(44)	(44)
At 31 December 2011	167	(14)	153

STATEMENT OF CASHFLOWS

There have been no changes to the company's cash and cash equivalents in 2011 or 2010. A statement of cashflows is therefore not presented.

FIRST TOWER LP (1) LIMITED
(Company Number SC122077)

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 Unit 6B, First floor, Highland House, St Catherine's Road, Perth, Scotland, PH1 5YA.

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.

The company is a subsidiary of Provident Financial plc and as such is included within the consolidated financial statements of Provident Financial plc which are prepared in accordance with IFRS. In preparing its opening IFRS balance sheet, the company has made use of the available election within IFRS 1 to companies who are subsidiaries of a group which has already adopted IFRS for its consolidated financial statements. As a result, the company has reported the amounts included within its ultimate parent's consolidated financial statements as its opening and comparative financial information.

IFRS 1 requires an entity to reconcile total comprehensive income and equity for prior periods. Due to the nature of the company, the equity reported as at 1 January 2010 and 31 December 2010 and the total comprehensive income for the year ended 31 December 2010 are the same under both UK GAAP and IFRS.

The financial statements have been prepared on a going concern basis under the historical cost convention. In preparing the financial statements, the directors are required to use certain critical accounting estimates and are required to exercise judgement in the application of the company's accounting policies.

The company's accounting policies are chosen by the directors to ensure that the financial statements present a true and fair view.

Principal accounting policies

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.

The following new standards, amendments to standards and interpretations are mandatory and were applied by the company for the first time in the financial year commencing 1 January 2011:

(a) New and amended standards adopted by the company:

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the company.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and updated in October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The company is in the process of assessing the updates to IFRS 9. The company will adopt IFRS 9 in its entirety no later than the accounting period beginning on or after 1 January 2015, subject to endorsement by the EU.

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.

FIRST TOWER LP (1) LIMITED
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STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Investment in the Partnership

The company's Partnership interest is stated at cost less provision for impairment in value.

Income from interest in investments

The company recognises as income a share of the net profits of the Partnership for the same year. This share is calculated on an accruals basis in proportion to the company's contribution for the Partnership's capital.

FIRST TOWER LP (1) LIMITED
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FINANCIAL AND CAPITAL RISK MANAGEMENT

First Tower LP (1) 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. As such, it is inappropriate to consider the management of liquidity risk on a stand-alone company basis.

(a) Liquidity risk

The company is funded by means of an intercompany loan from Provident Financial plc. Liquidity risk is managed by the group's centralised treasury department through daily monitoring of expected cashflows 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 to meet forecast borrowing requirements, including contractual maturities, at all times for at least the following 12 months. As at 31 December 2011, the group's committed borrowing facilities had a weighted average maturity of 3.5 years (2010: 3.5 years) and the headroom on these committed facilities amounted to £288.1m (2010: £184.7m).

The group is less exposed than other mainstream lenders to liquidity risk as the loans issued by the Consumer Credit Division, the group's largest business, 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 cashflows 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) Capital risk

The company manages capital risk by focussing on capital efficiency and effective risk management. This aims to maintain sufficient, but not excessive, financial strength and optimise the debt to equity structure of the company.

FIRST TOWER LP (1) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1. Revenue

	2011	2010
	£	£
Income from interest in investments	250	250

2. Loss before taxation

The loss before taxation is stated after charging:

	2011	2010
	£	£
Auditors remuneration:		
-fees payable to the company's auditors for the audit of the financial statements	294	298

3. Employee information

The company has no employees (2010: no employees).

4. Directors' emoluments

The emoluments of the director are paid by the ultimate parent company, Provident Financial plc, which makes no recharge to the company (2010: no recharge). The director of the company is also director of a number of subsidiary companies and it is not possible to make an accurate apportionment of their services in relation to the company.

Retirement benefits accrue to the director (2010: the director) under a money purchase scheme.

The director (2010: the director) received shares in the company's ultimate parent company, Provident Financial plc, through share incentive schemes in the year.

5. Investments

As a limited partner, the company has contributed 8.325% of the capital of the Partnership, an entity which holds a beneficial leasehold interest in office accommodation.

Under partnership law, there is a possibility that the company may, in certain circumstances, be required to re-contribute to the Partnership some or all of the capital previously returned to it by the Partnership (in total £8,741,250). No liability is expected to arise.

6. Trade and other receivables

	2011	2010
	£	£
Amount due from partnership	1,747	1,497

Amounts due from partnership are unsecured, have no fixed date of repayment and accrue interest.

7. Trade and other payables

	2011	2010
	£	£
Amounts owed to ultimate parent company	3,847	3,553

Amounts owed to the ultimate parent company, Provident Financial plc, are unsecured and have no fixed date of repayment. No interest has been charged on loans from the company's ultimate parent undertaking on the basis that had the company and its parent been acting at arms length, these loans would have not been made. The company is considered to have no ability to service or repay such loans.

FIRST TOWER LP (1) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Share capital

		2011		2010
	Number	£	Number	£
Authorised - deferred ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Authorised - ordinary shares of \$1 each	100	65	100	65
Allotted, called-up and fully paid - deferred ordinary shares of £1 each	102	102	102	102
Allotted, called-up and fully paid - ordinary shares of \$1 each	100	65	100	65
Total		167		167

9. Related party transactions

	Outstanding balance
	2011 2010
	£ £
Amounts owed to Provident Financial plc	3,847 3,553

The outstanding balance represents the gross intercompany balance.

10. Parent undertaking and controlling party

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