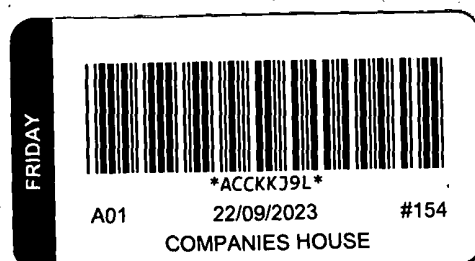


FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022



FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

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FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

DIRECTOR'S REPORT

First Tower LP (11) Limited (the 'Company') is a wholly-owned subsidiary of Vanquis Banking Group plc (formerly Provident Financial plc) which, together with its subsidiaries, forms the Vanquis Banking Group (formerly Provident Financial Group) (the 'Group'). Vanquis Banking Group plc is a public limited company, listed on the London Stock Exchange.

Principal activities

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. The director expects that the present level of business will be sustained for the foreseeable future.

As at 31 December 2022, the Company had net liabilities of £1,161 (2021: £1,411). Due to the Company's year-end position, its parent undertaking, Vanquis Banking Group plc, has confirmed its continued support for the Company for a period of at least twelve months from the date of approval of the financial statements. Accordingly the financial statements have been prepared on a going concern basis.

Results

The statement of comprehensive income for the year is set out on page 4. The profit for the year of £250 (2021: £83) has been added to (2021: added to) retained losses.

Dividends

The director is unable to recommend the payment of a dividend (2021: £nil).

Directors

The directors of the Company at 31 December 2022 and the date of signing of this report, except where stated, were:

M Barnett (appointed 19 August 2022)

C Davies (resigned 19 August 2022)

Employee involvement

The Company does not have any employees (2021: no employees).

Principal risks and uncertainties and financial risk management

The Company participates in the Group-wide management framework of Vanquis Banking Group plc. Details of the Group's risk management framework together with the Group's principal risks and uncertainties are set out in the annual report and financial statements of Vanquis Banking Group plc.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's director is of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Exemption from preparing strategic report

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

FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

DIRECTOR'S REPORT

(CONTINUED)

Auditor information

The director of the Company has taken advantage of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2022.

Going Concern

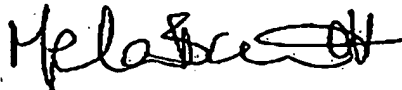
The director expects that the business will continue in existence for a period of at least twelve months from the date of approval of the financial statements and the Company will be able to meet its liabilities as they fall due. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

Post Balance Sheet Events

There were no post balance sheet events up to the date of approval of the financial statements.

BY ORDER OF THE BOARD

M Barnett
Director
Bradford
15 September 2023



FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the annual 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 (IFRSs) as adopted by the United Kingdom. Under company law the director must not approve the financial statements unless he is 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 the director:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs 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 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 him to ensure that the financial statements comply with the Companies Act 2006. She/he 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.

FIRST TOWER LP (11) LIMITED
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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	2022 £	2021 £
Revenue	1	250	83
Operating costs		-	-
Profit before taxation		250	83
Tax charge	2	-	-
Profit for the year		250	83

All of the above operations relate to continuing operations.

BALANCE SHEET
at 31 December 2022

	Note	As at 31 December 2022 £	As at 31 December 2021 £
ASSETS			
Cash and balances at central banks		2,116	2,116
Trade and other receivables	6	4,264	4,014
Investments	5	167	167
TOTAL ASSETS		6,547	6,297
LIABILITIES AND EQUITY			
Trade and other payables	7	7,708	7,708
Total liabilities		7,708	7,708
Equity attributable to owners of the parent			
Share capital	8	167	167
Retained losses		(1,328)	(1,578)
Total Equity		(1,161)	(1,411)
TOTAL EQUITY AND LIABILITIES		6,547	6,297

The Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2022.

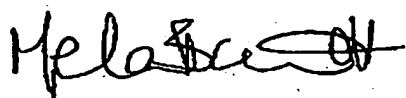
The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 12 were approved and authorised for issue by the sole director on 15 September 2023 and were signed by the sole director:

M Barnett

Director



FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Share capital £	Retained losses £	Total £
At 1 January 2021	167	(1,661)	(1,494)
Profit and total comprehensive income for the year	-	83	83
At 31 December 2021	167	(1,578)	(1,411)
At 1 January 2022	167	(1,578)	(1,411)
Profit and total comprehensive income for the year	-	250	250
At 31 December 2022	167	(1,328)	(1,161)

STATEMENT OF CASH FLOWS

There have been no changes to the Company's cash and cash equivalents in 2022 or 2021. A statement of cash flows is therefore not presented.

FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

STATEMENT OF ACCOUNTING POLICIES

General information

The Company is a limited liability company limited by shares and incorporated in Scotland. The address of its registered office is: DWF LLP, 2 Sempole Street, Edinburgh, Scotland, EH3 8BL.

As at 31 December 2022, the Company has net liabilities of £1,161 (2021: £1,411). Due to the Company's year-end position, its parent undertaking, Vanquis Banking Group plc, has confirmed its continued support for the company for at least the next 12 months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Basis of preparation

The financial statements of the Group and Company are prepared in accordance with IFRS as adopted by the UK, International Financial Reporting Interpretations Committee (IFRIC) interpretations and the Companies Act 2006.

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

Going Concern

In assessing whether the Company is a going concern, the directors have therefore considered the ability of the Group to continue as a going concern due to the intercompany funding provided by the parent company Vanquis Banking Group plc. The directors of the Group have reviewed the Group's corporate plan as approved in December 2022. In doing so, the Group board reviewed detailed forecasts for the three year period to December 2025 and also considered less detailed forecasts for 2026 and 2027. These higher level outer year forecasts do not contain any information which would cause different conclusions to be reached over the longer-term viability of the Group. The assessment included consideration of the Group's principal risks and uncertainties, with a focus on capital and liquidity.

The directors have also reviewed the Group's stress testing projections which are based on a severe but plausible scenario. The stress test scenario envisages that the UK economy enters a period of stagflation in 2023 with inflation rising to approximately 17% and the UK Bank Rate rising to 6%. As a result, the UK unemployment rate rises to approximately 8.5%. This shows that the Group is able to maintain sufficient capital headroom above minimum requirements. The directors have reviewed the Group's reverse stress testing projections to the point of non-viability, which concluded that the Group's viability only comes into question under an unprecedented macroeconomic scenario.

Based on this review, the directors are satisfied that the Group has the required resources to continue in business for a period of at least twelve months following the approval of the Company accounts.

Principal accounting policies

The Company's principal accounting policies under IFRSs, which have been consistently applied to all the years presented 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 2023 that would 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.

Investment in the partnership

The Company's partnership interest is stated at cost less provision for impairment.

FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

STATEMENT OF ACCOUNTING POLICIES

(CONTINUED)

Revenue

The Company recognises as income from interests in investments as revenue. This represents 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.

Financial instruments

In accordance with IFRS 9, 'Financial instruments', trade and other receivables, trade and other payables and cash and cash equivalents are measured at amortised cost and assessed for impairment. Investments are classified as non-financial assets.

Key assumptions and estimates

In applying the accounting policies set out above, there are no significant estimates or assumptions that affect the reported amounts of assets and liabilities.

FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT

First Tower LP (11) Limited ('the Company') is a wholly-owned subsidiary of Vanquis Banking Group plc which, together with its subsidiaries, forms the Vanquis Banking Group ('the Group').

The Group's activities expose it to a variety of financial risks, which can be categorised as credit risk, liquidity risk and market risk. The objective of the Group's Risk Management Framework is to identify and assess the risks facing the Group and to minimise the potential adverse effects of these risks on the Group's financial performance. Financial risk management is overseen by the Group Risk Committee.

(a) Credit risk

Credit risk is the risk that the Company will suffer loss in the event of a default by a bank counterparty, or from amounts owed by fellow subsidiary undertakings. A default occurs when the bank or fellow subsidiary undertakings fail to honour repayments as they fall due. The Company's maximum exposure to credit risk on bank counterparties as at 31 December 2022 was £2,116 (2021: £2,116). The maximum exposure to credit risk on amounts owed by fellow subsidiary undertakings is the total amounts owed to the company by fellow subsidiary undertakings, which is set out in note 6 within the notes to the financial statements.

Counterparty credit risk arises as a result of cash deposits and collateral placed with banks and central governments and derivative contracts that are currently assets.

Counterparty credit risk is managed by the Group's Assets and Liabilities Committee (ALCO) and is governed by a Group board approved Counterparty Policy which ensures that the Group's cash deposits and derivative financial instruments are only made with high-quality counterparties with the level of permitted exposure to a counterparty firmly linked to the strength of its credit rating. In addition, there is a maximum exposure limit for all institutions, regardless of credit rating. This is linked to the Group's regulatory capital base in line with the Group's regulatory reporting requirements on large exposures to the Prudential Regulation Authority (PRA).

(b) Liquidity risk

Liquidity risk is the risk that the Company will have insufficient liquid resources available to fulfil its operational plans and to meet its financial obligations as they fall due. The Company's funding is provided by a mixture of retained earnings and intra Group borrowings from Vanquis Banking Group plc.

Liquidity risk is managed by the Group's centralised treasury department through daily monitoring of expected cash flows in accordance with a Group board approved Group funding and liquidity policy. This process is monitored regularly by the Assets and Liabilities Committee (ALCO).

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 headroom on its committed borrowing facilities to fund growth and contractual maturities for at least the following 12 months. As at 31 December 2022, the Group's committed borrowing facilities had a weighted average period to maturity of 2.0 years (2021: 2.5 years) and the headroom on these committed facilities amounted to £50.0m (2021: £110.0m).

Historically, the Group's funding strategy, excluding Vanquis Bank Limited was to maintain sufficient available funds and committed facilities to pre-fund its liquidity and funding requirements for at least the next 12 months. On 1 November 2022, Vanquis Bank received notice from the PRA that it has approved its application for a Core UK Group large exposure waiver which enables Vanquis Bank to use its retail deposit funding to lend to its sister subsidiary, Moneybarn No.1 Limited, the Group's vehicle finance subsidiary, with immediate effect. This enables the transition to a traditional bank funding model in which the Group maintains access to diversified sources of funding comprising: (i) retail deposits; (ii) securitisation of the cards and vehicle finance books; (iii) liquidity and funding facilities at the Bank of England; and (iv) access to wholesale market funding and debt capital via its EMTN programme. The Group will continue to explore further funding options as appropriate including, but not limited to, further diversifying the retail deposit funding mix through more cost-effective behaviouralised deposits and ISAs, and further securitisation issuance in the private or public markets.

FIRST TOWER LP (11) LIMITED
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FINANCIAL AND CAPITAL RISK MANAGEMENT REPORT

(CONTINUED)

The Group continues to adopt a prudent approach to managing its funding and liquidity resources within risk appetite and will optimise these resources when new opportunities become available to the Group.

A maturity analysis of the undiscounted contractual cash flows of the Group's bank and other borrowings is set out in the annual report and financial statements of Vanquis Banking Group plc.

(c) Market risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. The Group's exposure to market risk is primarily through interest rate risk. These exposures arise solely through the Group's duration mismatches between its lending and funding activities. The Group's corporate policies do not permit it or the Company to undertake position taking or trading books of this type and therefore neither it nor the Company does so.

Interest rate risk

Interest rate risk is the current or prospective risk to capital or earnings arising from adverse movements in interest rates. Primarily, the Group is at risk of a change in external interest rates which leads to an increase in the Group's cost of borrowing.

The principal market-set interest rate used by the Group's and Bank's lenders is the sterling Overnight Index Average (SONIA). The SONIA index tracks the sterling overnight indexed swaps for unsecured transactions in the market. SONIA is the risk-free borrowing rate which is used to set rates for certain borrowings and swaps.

Day-to-day management of interest rate risk is the responsibility of the Group's Treasury function, with control and oversight provided by the Asset Liability Committee (ALCO) and is governed by Group board-approved risk appetite limits and policies.

The Group seeks to minimise the net exposure to changes in interest rates and takes a prudent approach to its risk management. This is achieved through a combination of (i) matching the structure of assets and liabilities naturally where possible; (ii) issuing fixed-rate debt; and (iii) using derivative financial instruments such as interest rate swaps.

Further details of the interest rate risk management are detailed within the annual report and financial statements of Vanquis Banking plc.

(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 takes into account the requirements of a variety of different stakeholders including shareholders, policyholders, regulators and rating agencies. A more detailed explanation of the management of capital risk can be found in the annual report and financial statements of Vanquis Banking Group plc.

FIRST TOWER LP (11) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1 Revenue

	2022	2021
	£	£
Income from interest in investments	250	83

2 Tax charge

The rate of tax charge on the profit before taxation for the year is lower than (2021: lower than) the average standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). This can be reconciled as follows:

	2022	2021
	£	£
Profit before taxation	250	83
Profit before taxation multiplied by the average standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	(48)	(16)
Effects of:		
-tax losses surrendered by group companies for which no payment was made	48	16
Total tax charge	-	-

During 2022, a change was enacted to increase the mainstream corporation tax rate from 19% to 25% with effect from 1 April 2023. The company is not (2021: not) carrying any deferred tax balances and so there is no (2021: no) impact in the current period from this change.

3 Employee information

The Company has no employees (2021: no employees).

4 Director's emoluments

The emoluments of the directors for services to the Company during 2022 were £nil (2021: £nil). Directors' emoluments are borne by another subsidiary company and it is not possible to make an accurate apportionment of these services in relation to the company.

FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Investments

The Company owns an interest as a limited partner in the First Tower Limited Partnership ('the partnership'), whose registered offices are at 10, Great George Street, London, W1S 2FD. The entity holds a beneficial leasehold interest in office accommodation.

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

	2022	2021
	£	£
Amount due from partnership	4,264	4,014

Amounts due from partnership are unsecured, have no fixed date of repayment and do not accrue interest.

7 Trade and other payables

	2022	2021
	£	£
Amounts owed to parent company	7,708	7,708

Amounts owed to the parent company, Vanquis Banking Group plc, are unsecured and have no fixed date of repayment. No interest has been charged on loans from the company's 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.

8 Share capital

	2022		2021	
	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	
	2022	2021
	£	£
Amounts owed to Vanquis Banking Group plc	7,708	7,708

The outstanding balance represents the gross intercompany balance.

FIRST TOWER LP (11) LIMITED
(Company Number SC122181)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Vanquis Banking Group 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, Vanquis Banking Group plc, No.1 Godwin Street, Bradford, BD1 2SU.