Premium Credit Limited

Annual Report and Financial Statements

for the year ended 31 December 2016

Registered Number: 2015200

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A: STRATEGIC REPORT

A1: BUSINESS MODEL

At Premium Credit Limited, we help almost three million customers to manage their finances and support our partners in the development of their business. We have a clear strategy to deliver consistent growth and earnings for our shareholders.

What we do

The Company provides instalment finance and payments services directly via our network of intermediaries, to nearly three million individuals and SMEs in the UK and Ireland. Our intermediary network consists of firms who typically charge annually for their services, such as insurance brokers, insurance providers, membership organisations and leisure facility providers.

How we do it

We provide advances to our end-customers, which they use to pay annual premiums and other service fees such as school, professional membership, sports and leisure fees on a monthly, instalment basis. We receive monthly payments on these advances from our end-customers.

Why we have been successful

Our size and long operational history has allowed us to develop an advanced and scalable information technology system, which helps us to provide our intermediaries and other clients with funding propositions. We are able to service a high volume of payments and collect amounts outstanding on our advances on a reliable and continual basis. We work with a diverse network of over 3,000 leading brokers, insurers and other intermediaries who offer our financing products to end-customers, and we believe we have strong and resilient relationships with our key intermediaries.

Why what we do matters to people

End customers
As the finances of people in the UK and Ireland are squeezed due to the macro-economic and political environment, our end customers are looking for alternative ways to finance big ticket items. These items include critical purchases such as insurance in addition to aspirational and leisure pursuits such as private school fees and golf club membership.

Intermediaries and partners
By outsourcing this vital part of their operating model to us, our intermediaries and partners benefit from the improved efficiency of their own business models. Our experience and scale enables them to:

- reduce costs.
- improve their cash flow and liquidity.
- have more control over their regulatory obligations.

How we generate income

Our income stream derives from a combination of interest income on amounts we have advanced to our mutual customers and fees due for services we provide.

Our market position

We are a UK leader in the processing and financing of instalment services. We have an unrivalled position in the insurance industry, a sector that is characterised by stable and regular annual payments.

Our Competitors

Our nearest competitors are other finance providers such as banks and non-bank credit providers. The Fintech era has seen a change in the way that people transact and purchase products, with new entrants occupying a niche position in several segments. However, investment in our IT systems and platforms has streamlined our operating model, and we now have much greater capacity to build rapidly bespoke, flexible new products and services. We see some of the new entrants into the market as potential partners, which would increase our penetration.

Our competitive advantage

Whilst there are other key players operating in the market, there are specific elements of our proposition which strongly differentiate the Company:

- Long term strategic partnerships – we are one of only two major providers in the instalment fee lending market in the insurance industry. We have long-established relationships, with 12 of our top 15 network partners (by revenue) having worked with us for more than 10 years. Our relationship management is highly valued as part of our service proposition.

- Technology platform and integration – our information technology platform enables point of sale financing and is integrated with our network partners' businesses. We are increasingly offering innovative tools to enable end customers to self-serve and maintain our leading position.

- Scale and scalability – our efficient and accessible systems process over 30 million direct debit transactions in a year on behalf of over 2.9 million customers.

- Deep insurance industry credit expertise – our financing solutions provide us with multiple layers of credit protection; our credit loss rate in 2016 averaged 0.14% of our net advances in the year (2015: 0.14%). These loss rates are significantly lower and less volatile than other forms of consumer finance.

- Our innovation and marketing strategy, which has been critical to changing the way the market operates, maintaining our leading position in insurance premium finance, and diversifying our revenue streams through the targeting of additional high value segments.

A2: PRINCIPAL RISKS AND MITIGATIONS

The principal risks to which the Company is exposed, which could significantly affect its prospects of success, are summarised below:

Conduct and Compliance Risk – Fair Outcomes	**Risk direction:**
Description	**Mitigation**
Conduct Risk is the risk that our operating model might lead to unfair outcomes for our customers.	The Company has a suite of policies focused on the fair treatment of customers. We have an Operational Risk and Compliance Committee that receives details of all operational risk incidents that have affected customers, together with actions to address any unfairness. In addition, our Customer Committee focuses on monitoring detailed metrics that measure results for customers. Where any activities are identified that result in unfair customer outcomes, we are focused on ensuring that they are addressed as a matter of priority and that any adverse impact on the customer is promptly remedied.

Operation Risk - Regulatory	**Risk direction:**
Description	**Mitigation**
The risk of loss arising from a breach of existing regulations or the imposition of adverse future regulatory changes in the markets the Company operates in.	The Company has a Risk, Compliance and Legal team that reviews key emerging regulatory developments to assess the impact on the Company. Expert third party advice is also sought where necessary. The compliance team has developed a formal monitoring plan which is reviewed by the Operational Risk and Compliance Committee and the Risk Committee. All employees are required to undertake regulatory training.

Operation Risk – Reputational	**Risk direction:**
Description	**Mitigation**
The risk that an event or circumstance could adversely affect the Company's reputation, including publicity from the activities of legislators, pressure groups and the media. Our reputation, customer relationships and operational results may be damaged by the actions of our intermediaries. If our external service providers and vendors are unable to or do not fulfil their obligations, our operations could be disrupted and our operating results could be harmed.	The Company has a strong corporate governance framework, and a strong enterprise risk management framework with documented policies and procedures. The Company has an established crisis management team in place, in case of a major event that may cause harm. The Company complies with current laws and regulations, and monitors and enforces existing policies and procedures. It fosters a risk management culture by creating awareness at all levels of staff.

Operational Risk – Systems and Process	**Risk direction:**
Description	**Mitigation**
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, and from arrangements with third parties.	The management of Operational Risk is an area of on-going focus, with significant investment made migrating from legacy IT systems to a 'best in class' platform providing strong foundations for the future evolution of the business. The migration creates an implementation risk which can disrupt both customers and intermediaries. To improve the overall control environment during this programme of work, continuing investment is being made in the development of risk management frameworks, systems and processes, including IT project management, implementation planning and cyber-risk management. An annual Internal Audit review plan is undertaken across a number of critical risk-based areas to provide assurance and monitoring oversight.

Funding and Liquidity Risk - Interest Rates	**Risk direction:**
Description	**Mitigation**
The Company is exposed to the risk that interest rate changes may compromise its profitability. Specifically the Company's net income is determined by the difference between the interest rates it lends at and those at which it borrows.	The Company has a treasury function responsible for day to day management and control of its exposure to interest rate risk. The Asset and Liability Committee monitors interest rate risk on a monthly basis and reports to the Risk and Compliance Committee quarterly. The Company has the ability through contractual rate ratchets to reprice future lending in the event of rate rises. The securitisation facility is a variable rating funding facility.

Funding and Liquidity Risk - Liquidity and Capital	**Risk direction:**
Description	**Mitigation**
The risk that the Company will have insufficient liquidity to fulfil its strategic lending targets and/or meet its financial obligations as they fall due.	The Company funds its activities through a securitisation facility which is due to expire in December 2019. The Company has completed an annual extension of this facility every year since it was established to ensure that it has guaranteed funding for at least three years. From 2 February 2017 the Company has implemented a Master Trust funding platform to access public markets funding alongside its existing bank funders.

Credit Risk - Customer	**Risk direction:**
Description	**Mitigation**
PCL provides finance to individuals, partnerships and companies who wish to pay annual payments in monthly instalments. There is a risk that adverse changes in the economic environment or in the credit quality of our borrowers may result in additional impairment losses that could affect financial performance.	For our recourse products, Credit Risk is mitigated through the commercial arrangements that we have with our credit intermediaries. In circumstances where borrowers default, outstanding balances are received from our intermediary partners through a deduction from commission payments. For non-recourse products, the Company has credit risk policies in place setting out detailed criteria for checks that must be undertaken before a loan is made. In addition, a significant proportion of non-recourse lending occurs in circumstances where the borrower grants security over the proceeds of their insurance policies and any return of premium that may be made in circumstances where the insurance is cancelled early. The credit risk function regularly reports to the Credit Committee and the Risk Committee on the performance of the Company's lending portfolios. In addition the Company has rigorous and robust processes in place to manage arrears.

Credit Risk - Counterparty	**Risk direction:**
Description	**Mitigation**
The Company has a large number of commercial arrangements with credit intermediaries, who are the first point of contact when recourse borrowers default. In addition, for non-recourse lending we have commercial arrangements requiring commission payments to be paid before being collected from the borrower, or where advance finance commission payments are being made. These payments can cause an exposure whilst they are collected from the borrower for the duration of their loan.	The Company operates an extensive process of due diligence in relation to the credit intermediaries with whom it enters into trading relationships with. Once a relationship is in place, there is also a continuous monitoring programme that keeps the financial, regulatory and trading performance of our partners under regular review. Where upfront payments are made, these are subject to a detailed modelling exercise to determine the level of financial risk that we are prepared to accept from any given intermediary. For insurers, regular monitoring and evaluation of exposure and financial condition is undertaken, especially for unrated insurers.

Business Risk – Economic and Competition	**Risk direction:**
Description	**Mitigation**
The risk of loss arising from the failure of the Company's strategy or management actions beyond the planning horizon. The business faces competition from other providers of insurance premium and service fees financing in the UK and Ireland as well as from providers of alternative forms of credit. Deteriorating economic conditions may reduce demand for our advances or the products for which we provide advances, and this would materially and adversely affect our financial health and operational results. We depend on our network of intermediaries to sell advances, and any changes to our relationships with them could have similar consequences.	The Company has a strong record of operating successfully in its chosen markets throughout its 25+ year history, which it has achieved by continually improving its service proposition. The Company maintains strong relationships with its business intermediaries, customers and software house integrators. It is active in industry-wide groups that enable market trends to be identified and addressed. It also monitors competitors' products, pricing and positions to enable it to keep its own proposition under review.

Business Risk – Foreign exchange	**Risk direction:**
Description	**Mitigation**
The Company operates in Ireland as well as the UK and is exposed to foreign exchange rate risk arising from currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.	The level of operations in Ireland in relation to the company as a whole is such that the foreign exchange risk is deemed to be acceptable. There are no policies in place to mitigate this risk.

A3: STRATEGY

The 2016 results show a business which is performing strongly and leading the market. Our strategic planning constantly evaluates new developments in the market and is being revised accordingly. Not only are we mitigating risk but identifying new opportunities where our technology can be adapted and utilised by a growing number of users.

Our Earnings

The majority of our earnings stream originates from the financing of insurance premiums. Insurance is an essential product for many borrowers, and is often a legal requirement. Our point-of-sale lending services are highly integrated with our intermediaries' systems, resulting in low cost credit and efficient processing.

Our Objective

To deliver our objective, we have six strategic aims:

1. To develop technology solutions which deliver unrivalled customer experience, enhanced analytics and reduced costs through increased efficiency.
2. To invest in innovation to make sure our technology is leading the market, rather than reacting to the dynamic evolution of the industries in which we operate.
3. To create a strong risk and governance framework which ensures fair outcomes for customers, complies with regulatory requirements and helps our partners to manage their legal requirements.
4. To maintain a secure, diverse and stable funding structure.
5. To develop and grow relationships that add value for customers.
6. To develop and retain our staff and look to attract new talent.

To develop technology solutions which deliver unrivalled customer experience, enhanced analytics and reduced costs through increased efficiency.

The majority of our lending is integrated into our partner's point-of-sale. Our technology allows straight through and automated processing which reduces manual intervention and creates significant cost savings. We are actively processing over 30 million direct debits each year which means that stable, resilient operating platforms are critical.

We will continue to invest in our technology to enhance our product and service offers. Our strategy is to integrate further with our partners to improve the overall customer experience. This is critical, as customer experience is going to be one of the key differentiators in the future as new entrants move into the market with bespoke systems.

We will also seek to extract value from the significant data we have about our customers. Part of our investment this year enables us to utilise improved analytics and Customer Relationship Management (CRM) tools. This will support our partners and extract more value from existing customers.

To invest in innovation to make sure our technology is leading the market, rather than reacting to the dynamic evolution of the industries in which we operate.

In July 2016, we went live with our new core loan administration system. Despite some initial problems to be expected in a change of this scale we were able to streamline, and decommissioned a number of platforms in order to simplify our IT infrastructure. One of the biggest threats to established players in the industry is an inability to develop their core systems because of complex and outdated technology. With the work we have done this year we are well positioned to lead the market rather than slowly react to change.

We have a dynamic, scalable platform which can provide our partners with bespoke solutions. In addition, we can amend the processing and we are looking at how we can integrate with new payment models for insurance (e.g. pay as you go).

To create a strong risk and governance framework which ensures fair outcomes for customers, mitigates regulatory risks and helps our partners to manage their legal requirements.

The financial services industry has adversely impacted value through inadequate regulatory controls and conduct over the last ten years. Our aim is and always has been to ensure that we grow at a sustainable rate, and remove any regulatory risk within our business and for our partners.

Premium Credit Limited is regulated by the Financial Conduct Authority. Given the high number of customers we serve, we will continue to manage our business within a strong compliance risk and governance framework, and will continue to invest in strengthening our operational processes and controls. This will ensure fair outcomes for customers.

The Company is predominantly exposed to Credit risk, Liquidity and Conduct risk. For Credit risk, the Company has multiple layers of credit protection available. These protections arise as our earnings stream derives predominantly from the financing of cancellable and rebateable services. As a result our loss rates are low, and show little volatility through the economic cycle. We will continue to invest resources in strong credit underwriting to maintain these low loss rates, and are enhancing our affordability and credit assessment to ensure appropriate outcomes for our customers.

In our opinion, a well-managed and governed business is critical to maintaining stakeholders’ confidence and delivering sustainable shareholder returns.

To maintain a secure, diverse and stable funding structure.

Funding is provided from a £1,250 million securitisation facility to December 2019 via an intercompany loan with a Special Purpose Vehicle. As at 31 December 2016, £990 million (79.2%) was drawn down on the securitisation facility. As we move forward, we will look to ensure the sustainability and diversification of our funding sources.

In December 2016, we executed a new Master Trust structure, as well as establishing an Excess Concentration series.

To develop and grow relationships that add value for customers.

Our distribution strategy has three clear aims:

1. To deepen our relationships with existing partners.
2. To identify new opportunities in markets that can benefit from our technology, lending and regulatory expertise.
3. To reduce processing costs and add value for our customers through an improved experience.

Our focus is on providing affordable instalment credit to help individuals and SMEs' smooth cash flows during the year. We believe this area of the market offers strong margins and sustainable returns, and is valued by customers. We lend to a wide customer base which means that our credit risk is highly diversified.

We manage, monitor and support our partners via a dedicated relationship team to ensure dealings with our customers are ethical, comply with relevant regulatory requirements and are of a consistently high standard. In addition, we support them with market analysis to help them to prepare for changes in the industry they operate in. Our support for our partners is a key differentiator, as many of our competitors are either a) part of a larger group and unable to pay sufficient regard to the importance of customer relations, or b) lack the resources to build deep relationships with customers.

We have developed market-leading analytics and insight to support our partners' performance management and objectives. In 2016, we worked with our partners to improve customer retention, providing training in sales and developing customer communication skills. The result was improved customer management throughout our systems.

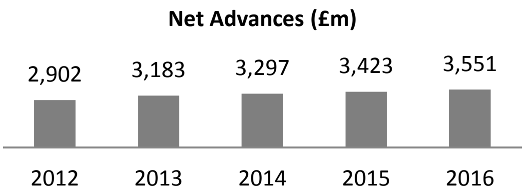
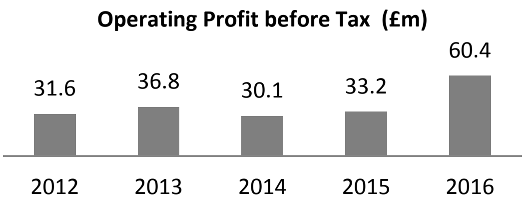
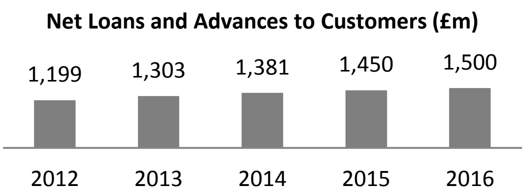
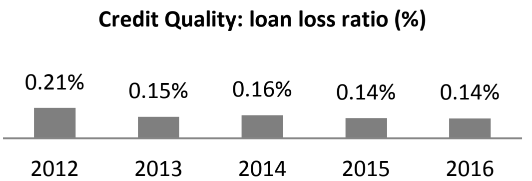
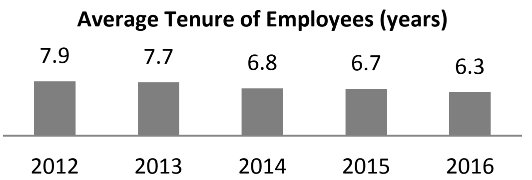
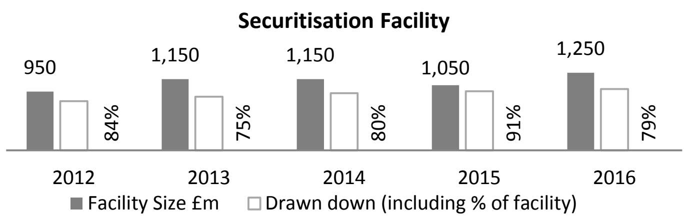
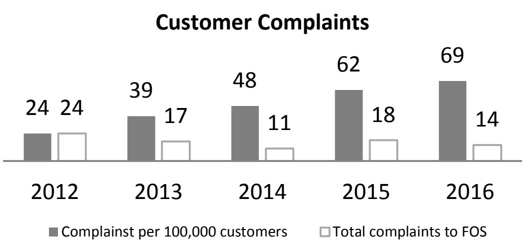
To further diversify and grow earnings, our strategic teams are evaluating the market potential of different segments. We have successfully opened up relationships in the education and leisure sectors and we are identifying further opportunities to implement profitable relationships within new markets.

To develop and retain our staff and look to attract new talent.

The wellbeing and development of our employees is critical to the growth of the Company. In November 2016, we moved into our new office in Leatherhead, so that all colleagues could be based in one office. This will enable greater collaboration and closer working with co-dependent teams.

Leatherhead is situated close to London's financial hub, which enables us to recruit some of the most talented people within established financial services institutions and London's thriving fintech centre.

A4: KEY PERFORMANCE INDICATORS

<table>
<tr><th>Key Performance Indicator</th><th>Description</th></tr>
<tr><td>
</td><td>Net Advances measures the total value of loans processed, net of cancellations and mid- term adjustments. This is a leading indicator of future income that will be generated from these advances.</td></tr>
<tr><td>
</td><td>Operating Profit Before Tax is the Company’s primary statutory measure of profitability.</td></tr>
<tr><td>
</td><td>Net Loans and Advances to Customers measure the outstanding loan value at the end of the year after impairment provisions. This is a growth metric which is a leading indicator of future collections and cash inflows.</td></tr>
<tr><td>
</td><td>Credit quality: loan asset ratio is the impairment loss on our customer advances divided by the net advances in the year. It is a measure of the credit quality of the loan book.</td></tr>
<tr><td>
</td><td>The average tenure of employees is a measure of the amount of experience maintained within the business.</td></tr>
<tr><td>
</td><td>The proportion of our securitisation drawn down relative to the total facility is a key measure of the availability of funding to cope with growth in the loan book. The facility is through an SPV.</td></tr>
<tr><td>
</td><td>Reportable customer complaints per 100,000 loans written measures the level of complaints normalised for business volumes. This is supplemented by the total number of Reportable complaints made to the Financial Ombudsman (FOS).</td></tr>
</table>

A5: BUSINESS REVIEW

Financial review and KPI's

Highlights

The Company delivered strong financial performance with Profit before tax of £60.4 million, an increase of 81.9%. Key trading highlights of the year include:

- Increase of 10.9% in net interest income to £99.7 million. (2015: £89.9 million)
- 3.4% growth in net loans and advances to customers (2015: 5.0%) with loan loss ratio stable at 0.14% of net advances (2015: 0.14%)

Net Interest Income

The increase in net interest income of 10.9% to £99.7 million (2015: 89.9 million) was driven by an increase in loan origination, with interest income growth of 6.3% to £120.1 million (2015: £113.0 million) and a decrease in interest expense of 11.5% to £20.4 million (2015: £23.05 million). The decrease in interest expense is the result of a reduction in July 2015 in the rate of interest on borrowings on the intercompany loan which has back to back terms with the underlying the securitisation facility. In addition, fees on the undrawn portion of the securitisation facility decreased. For further details on the relationship between the intercompany loan and the underlying securitisation loan see note 18 on page 43.

Administrative expenses

Administrative expenses decreased by £18.0 million to £52.0 million (2015: £70.0 million). Non-staff administration costs fell by £16.0 million and staff administration costs by £2.0 million. The decrease in non-staff administration costs is primarily attributable to costs relating to the acquisition of the Company by Cinven in 2015 of £4.0 million and a net gain year on year from foreign currency translation of £7.6 million (2016: gain of £6.2 million; 2015: loss of £1.4 million). The foreign currency gain in 2016 was largely a result of the fall in the British Pound rate versus the Euro following the EU Referendum.

Profit before tax

Profit before tax has increased £27.1 million to £60.4 million (2015 £33.3 million) driven primarily by the increase in net interest income and reduction in administration expenses.

Balance Sheet

Our approach to funding and liquidity is core to our business model.

Premium Credit Limited, via a Special Purpose Vehicle ("SPV" - PCL Funding I Ltd), entered into a securitisation facility, backed by eligible receivables, in 2012. As at 31 December 2015 the facility was £1,050 million with six leading banks as counterparties. With effect from 16 June 2016, the facility was increased to £1,250 million, with £100 million of this increase provided by Royal Bank of Scotland (RBS), entering the facility and taking the number of counterparties to seven. On 16 December 2016 the final legal maturity date of the Securitisation Notes was extended to December 2019. At 31 December 2016, £1,127.4 million (2015: £1,084.5 million) of customer loans and advances were assigned to the securitisation facility and £990.4 million was drawn down (2015: 955.2 million), giving headroom of £259.6 million (2015: £94.8 million) on the facility.

In December 2016, a Master Trust facility structure was put in place, which became effective 2 February 2017, replacing the existing securitisation facility. This provides access to the same sources of funding as under the securitisation facility, with the addition of funding through an excess concentration series. The new structure will enable future access to public Asset-backed security (ABS) funding. This has diversified our funding base, further reducing liquidity risk. £6.6 million of fees relating to the Master Trust have been capitalised and £2.0 million of previously capitalised securitisation facility fees were expensed as a result of the above.

In December 2016, a Master Trust facility structure was put in place which became effective 2 February 2017, replacing the existing securitisation facility. This provides access to the same sources of funding as under the securitisation facility, plus funding for an excess concentration series and will allow future access to public Asset-backed security (ABS) funding. This diversified our funding base, further reducing liquidity risk.

Additionally, an overdraft facility of £15 million was arranged in 2015 to further diversify our funding sources, which in 2016 has been converted to a Revolving Credit Facility (RCF) of £15 million, which remains undrawn.

Non financial KPI’s

Average tenure of employees

The average tenure of employee measures the average period of service across the workforce. The Company continues to invest in new talent as the business grows and the workforce increases, which has resulted in a slow downward movement in this metric in the period since 2012.

Customer complaints

The Company maintains two KPI's for customer complaints, complaints we receive directly from customers which is measured per 100,000 customers to normalise for volume, and the absolute number of complaints referred to the Financial Ombudsman Service (FOS). Complaints per 100,000 customers for 2016 were 69, or 0.07% of our customers, which remains very low. In 2016 only 14 complaints were made to the FOS (0.01% of our customers), of which five were then referred on to the Ombudsman, with one of the complaints upheld. We continue to be focused on providing a high quality service to our customers and in the unfortunate event that a customer does have a complaint responding in a timely and attentive manner to provide a positive outcome.

The increase in non-FOS complaints was a result of the migration to our new loan administration system. The Group looks to provide a high quality service to remove the need for a customer to complain.

Future Outlook

Our success and continued future growth is dependent on the commitment of our employees and our ability to develop outstanding products and services for our customers. 2016 has been a year of significant change but we can look ahead with confidence, knowing that we can build on this year's investments and innovations.

In 2017 we look forward to consolidating these changes and making progress towards our strategic aims. We remain confident that our strategy and our proven business model will continue to provide long term and sustainable value for our customers, employees, shareholders and business partners.

Thomas Woolgrove

25 April 2017

B: REPORT OF THE DIRECTORS

The directors present their report and audited financial statements of the Company for the year ended 31 December 2016.

Principal activities

The principal activity of the Company is the financing and processing of insurance premiums and instalment services in the UK and Ireland. The Company is incorporated in England & Wales.

The sections covering the review of the business, principal risks and uncertainties (including financial risk management), and KPIs are covered within the strategic report. The future outlook is covered in the financial review section.

Directors

The directors, who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Name	**Date of Appointment**
John Reeve	
David Young	Appointed 11 January 2016
Thomas Woolgrove	Appointed 11 January 2016
Peter Catterall	
Maxim Crewe	
Anthony Santospirito	
Chris Burke	
Colin Keogh	
Nayan Kisnadwala	

Qualifying third-party and pension scheme indemnity provisions

During the financial year and up to the date of approving this report, the Company maintained liability insurance and third-party indemnification provisions for its directors under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the company and any of its associated companies. These indemnities are Qualifying Third-Party Indemnity Provisions as defined in Section 234 of the Companies Act 2006 and copies are available for inspection at the registered office of the company during business hours on any weekday except public holidays.

Results

The results for the year are set out in the financial review on page 15.

Dividends

On 12 December 2016, the directors declared and approved dividends of £31.0 million (2015: £23.5 million).

Financial Risk Management

The principal risks to which the Company is exposed and mitigations are detailed in the strategic report on page 7.

Employee Activities

The Company recognises that its future success, as in the past, will depend on the loyalty and performance of its employees. The leadership team are committed to creating a culture in which employees are accountable for their work, but enjoy the freedom to perform to the best of their abilities. The Company is committed to listening to and acting upon feedback from its employees.

Key initiatives include:

- The move to our new premises, which presents a significant opportunity for our employees. The fresh and stimulating working environment will encourage innovation and collaboration throughout the organisation;

- Improvements in employee communication, such as updates on business performance and the progress of key projects. Employee forums present an opportunity for dialogue and continuous improvement, and successful examples in 2016 include one to discuss the move, and a colleague engagement group set up after the last employee survey;

- Investing in building skills in important areas to develop organisational capability, such as technology, data analytics, sales and marketing. Recruitment, training and providing employees with the right systems and processes all contribute to developing organisational capability. We will also be launching an apprenticeship programme to develop our future workforce;

- The recent launch of MyBenefits, a new flexible benefits portal. Remuneration structures are competitive, and recognise and reward performance.

The Company seeks to operate as a responsible employer, whose corporate values promote standards designed to help employees conduct their business relationships. It is the Company's policy to conduct business in an honest, open and ethical manner, and we have adopted policies governing equal opportunities and diversity, and health and safety. The Company categorically condemns all instances of bribery and corruption, harassment, bullying and discrimination.

The Company is committed to attracting, developing and retaining the best talent in order to achieve its strategic objectives. Internal communications have been enhanced providing more detailed information and understanding for staff on the progress and development of the Company. Staff engagement has been increased through the establishment of staff social committees. The Company is committed to employment policies which follow best practice on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Composition of the workforce

We have over 400 employees working in the UK and Ireland. We employ individuals with diverse backgrounds and the table below shows our gender diversity at year-end:

	2016		2015	
	Men	**Women**	Men	Women
The Board	**100%**	**-**	100%	-
Senior Management	**81%**	**19%**	83%	17%
Other Employees	**50%**	**50%**	51%	49%
Total	**53%**	**47%**	54%	46%

Equality and diversity

The Company is committed to employment policies and practices which follow best practice on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Human Rights

The Company respects human rights as defined under the European Convention on Human Rights.

The Company supports the objective of the Modern Slavery Act 2015, in raising awareness of modern slavery and human trafficking, in accordance with the government guidance.

Employee relations

The Company seeks to operate as a responsible employer and has adopted corporate values to promote standards designed to help employees in their conduct and business relationships. Policies in place support equal opportunities and diversity, health and safety, and anti-bribery and corruption.

It is the Company's policy to conduct business in an honest, open and ethical manner. A zero tolerance approach is taken to bribery and corruption, harassment, bullying and discrimination.

The Company recognises that its success to date and continued future growth are dependent on the loyalty and commitment of its employees. To this end, the Company has in place competitive reward and benefit programmes, appropriate training and personal development programmes, and ways to encourage and recognise outstanding performance. The Company embraces continuous development of high performance teams, and provides schemes to enable all staff to participate directly in the success of the Company.

Internal communications have been enhanced providing more detailed information and understanding for staff on the progress and development of the Company. Staff engagement has been increased through the establishment of staff social committees, run by the staff for the staff.

Donations

During the year the Company donated £9,524 (2015: £7,745) to charitable causes.

Post balance sheet events

A Master Trust facility structure was put in place which became effective 2 February 2017, replacing the existing securitisation facility. This provides access to the same sources of funding as under the securitisation facility, plus funding for an excess concentration series and will allow future access to public Asset-backed security (ABS) funding. This diversified our funding base, further reducing liquidity risk.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, the Report of the directors 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 Standards, comprising Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), 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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

- he/she 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.

Approved by the Board on 25 April 2017 and signed on its behalf by:

Thomas Woolgrove

Director

C: FINANCIAL STATEMENTS

C1: INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREMIUM CREDIT LIMITED

Report on the financial statements

Our opinion

In our opinion, Premium Credit Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the Income Statement and Statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the 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 the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

Opinion on other matter 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 Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Report of the directors report. We have nothing to report in this respect.

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.

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 are not 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 pages 21 and 22, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Report of the directors, we consider whether those reports include the disclosures required by applicable legal requirements.

Matthew Falconer

Matthew Falconer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 April 2017

C2: INCOME STATEMENT

For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Interest income		**120,098**	112,971
Interest expense		**(20,403)**	(23,051)
Net interest income	5	**99,695**	89,920
Fee and commission income	6	**18,725**	18,293
Fee and commission expense	7	**(6,070)**	(5,033)
Total income		**112,350**	103,180
Administrative expenses	8	**(51,968)**	(69,961)
Operating profit before tax		**60,382**	33,219
Financing income	10	**57**	104
Profit before tax		**60,439**	33,323
Income tax expense	11	**(2,861)**	(344)
Profit for the year attributable to shareholders		**57,578**	32,979

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

Results relate to continuing operations.

C3: STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 **£'000**	2015 £'000
Profit after tax for the year	**57,578**	32,979
Other comprehensive income	-	-
Items that may subsequently be reclassified to the income statement:		
Foreign currency translation gains/(losses)	**2,087**	(500)
Other comprehensive income for the year	**2,087**	(500)
Total comprehensive income for the year	**59,665**	32,479

C4: BALANCE SHEET

As at 31 December 2016

	Notes	31 Dec 2016 £'000	31 Dec 2015 £'000
Assets			
Non-current assets			
Intangible assets	12	**9,834**	5,072
Property, plant and equipment	13	**6,188**	3,428
Loans and advances to customers	14	**3,319**	191
Prepayments and other receivables	15	**11,619**	7,219
Deferred tax assets	16	**471**	423
Total non-current assets		**31,431**	16,333
Current assets			
Loans and advances to customers	14	**1,496,840**	1,449,547
Prepayments and other receivables	15	**40,441**	27,999
Cash and cash equivalents	17	**29,084**	30,408
Total current assets		**1,566,365**	1,507,954
Total assets		**1,597,796**	1,524,287
Liabilities			
Current liabilities			
Trade and other payables	18	**1,400,960**	1,356,116
Total current liabilities		**1,400,960**	1,356,116
Total liabilities		**1,400,960**	1,356,116
Equity			
Called up share capital	19	**10**	10
Retained earnings		**196,312**	169,734
Other reserves		**514**	(1,573)
Total shareholders' equity		**196,836**	168,171
Total equity & liabilities		**1,597,796**	1,524,287

The financial statements on pages 25 to 48 were approved by the Board of Directors on 25 April 2017 and signed on its behalf by:

Thomas Woolgrove, Director

C5: STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

£'000	Notes	Called up Share Capital	Retained Earnings	Other Reserves	Total Equity
A 1 January 2015		**10**	**160,244**	**(1,073)**	**159,181**
Profit for the year		-	32,979	-	32,979
Foreign currency translation losses		-	-	(500)	(500)
Total comprehensive income/(expense) for the year		-	32,979	(500)	32,479
Transactions with owners:					
Dividends paid	20	-	(23,489)	-	(23,489)
At 31 December 2015 and 1 January 2016		**10**	**169,734**	**(1,573)**	168,171
Profit for the year		-	57,578	-	57,578
Foreign currency translation gains		-	-	2,087	2,087
Total comprehensive income for the year		-	57,578	2,087	59,665
Transactions with owners:					
Dividends paid	20	-	(31,000)	-	(31,000)
At 31 December 2016		**10**	**196,312**	**514**	**196,836**

C6: NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Premium Credit Limited ('the Company') is a private limited company that finances insurance premiums and facilitates instalment services in the UK and Ireland. The company is incorporated and domiciled in England and Wales.

2. ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of Premium Credit Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, as applicable to companies using FRS101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The Company has taken advantage of the exemption under s.400 of the Companies Act 2006 not to prepare Group financial statements as it is a wholly owned subsidiary of Mizzen Mezzco Limited.

The following exemptions from the requirements of FRS 101 have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - Paragraph 118(e) of IAS 38 Intangible Assets;
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- The requirements of IAS 7 Statement of Cash Flows.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

- The requirements of paragraphs 17 of IAS 24 Related Party Disclosures.
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(b) Going concern

The directors have assessed the company's cash flow forecasts and considered the ability of the entity to operate as a going concern based on the conclusions drawn with respect to financial, interest rate, credit, liquidity, foreign exchange, regulatory and compliance, and operational risks, as outlined in the strategic report. As such, these financial statements have been prepared on the going concern basis.

(c) Net interest income recognition

Interest income and expense for all financial instruments measured at amortised cost are recognised using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of recognising the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees receivable that are an integral part of the instrument's yield, early redemption fees and transaction costs. All contractual and behavioural terms of a financial instrument are considered when estimating future cash flows.

(d) Fee and commission income recognition

Fees in respect of services are recognised on an accrual basis when the service to the customer has been provided. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered. The price is fixed and always determinable. The Company generates fees from the financing of insurance policies and other instalment services underwritten or delivered by third party insurers or suppliers. This is based on fee rates that are independent of the profitability of the underlying insurance policies or fee plan.

(e) 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax in the future, with the following two exceptions:

1. Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and

2. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(f) Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All monetary assets and liabilities expressed in foreign currencies are translated into Pounds Sterling at rates of exchange ruling at the end of the financial year. Differences between the translated transactions and subsequent cash settlements, or related translated balances, are taken to the income statement.

The balance sheets for foreign operations are consolidated at the rate of exchange ruling at the balance sheet date. The income statement accounts are consolidated using the average rate for the year. The exchange differences arising on the retranslation of opening net assets are taken directly to reserves.

(g) Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks.

(h) Financial instruments

The company classifies a financial instrument that it issues as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement. An instrument is classified as a liability if it is a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities on potentially unfavourable terms. An instrument is classified as equity if it evidences a residual interest in the assets of the company after the deduction of liabilities.

Financial liabilities

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised costs with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. The Company does not hold any financial liabilities classified as held for trading.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (FVTPL), loans and receivables. Management determines the classification of its financial instruments at initial recognition. Purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Financial assets at FVTPL include financial assets held for trading and those designated at fair value through profit or loss at inception. Financial assets held at FVTPL are recognised at fair value with any gains or losses included in the income statement in the period in which they arise. Transaction costs are expensed at the time of initial recognition. Derivative financial assets are classified as held for trading unless they are accounted for as an effective hedging instrument; such instruments are not separately categorised in the balance sheet.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition at fair value plus transaction costs, these assets are carried at amortised cost using the effective interest method, less any impairment.

(i) Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows have expired or where substantially all of the risks and rewards of ownership have been transferred and the transfer qualifies for derecognition. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished. In line with IAS 39, an exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Qualitative and quantitative factors are considered in determination of substantially different terms.

Collateral furnished by the Company under securitisation is not derecognised because the company retains substantially all the risks and rewards on the basis of the predetermined repurchase price; therefore the criteria for derecognition are not met.

(j) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle a liability simultaneously.

(k) Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on a financial asset or group of financial assets classified as loans and receivables has been incurred, the company measures the amount of the loss as the difference between the carrying amount of the asset or group of assets and the present value of estimated future cash flows from the asset or group of assets discounted at the effective interest rate of the instrument(s) at initial recognition. Impairment losses are assessed individually for financial assets that are significant and collectively for assets that are not individually significant. In making the collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted, on the basis of currently observable data, to reflect the effects of current conditions.

Impairment losses are recognised in the income statement and the carrying amount of the financial asset or group of financial assets is reduced by establishing an allowance for impairment losses. If in a subsequent year the amount of the impairment loss reduces and the reduction can be related objectively to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset or group of financial assets, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted in measuring impairment.

When a loan is deemed uncollectible it is written off against the related provision for loan impairment after all of the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off and that are received from customers or other third parties are recognised directly in the income statement as a reduction in the loan impairment charge for the period.

(l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment when there are indications that the carrying value may not be recoverable. In the event that an asset's carrying amount is determined to be greater than its recoverable amount it is written down immediately. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date with the exception of goodwill.

(m) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent expenditure is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repairs and maintenance costs are charged to the income statement in the period in which they are incurred.

Depreciation is charged to the income statement on a straight-line basis so as to allocate the costs less residual value over their estimated useful lives. Depreciation commences on the date that the asset is brought into use. Work in Progress assets are not depreciated until they are brought into use and transferred to the appropriate category of property, plant and equipment. Estimated useful lives for property, plant and equipment are:

Vehicles and equipment	3 to 10 years
Leasehold improvements	15 to 20 years
Leasehold offices	15 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in administrative expenses in the income statement.

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Operating Leases

Leases, in which substantially all of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Operating lease costs are charged to the income statement on a straight-line basis over the lease term.

(n) Intangible assets

Intangible assets that are acquired by the Group are stated at historical cost less accumulated amortisation and any impairment losses. Amortisation is charged to the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives.

Internally generated intangible assets

Research costs are expensed as incurred. Expenditure incurred on the development of software is capitalised only if the following criteria are met:

- Technical feasibility has been demonstrated;
- The intention to complete development project (e.g. allocated budgets and resources, BOD approval);
- The ability to use or sell the results of the project;
- It is probable that the asset created will generate future economic benefits (e.g. existence of the market for the results of the project);
- Adequate technical, financial or other resources to complete the development and to use or sell the software are available; and
- The development cost of the asset can be measured reliably.

Only the costs that are directly attributable to generating the intangible assets are capitalised.

The following costs are not capitalised: Operations, General and Administration overheads, annual software licences, training, legal and professional fees related to disputes with suppliers.

Following the initial recognition of impairment expenditure, the cost is amortised over the estimated useful lives of the assets created. Amortisation commences on the date that the asset is brought into use. As assets categorised as Assets under construction/Work in progress are brought into use the assets are transferred to the appropriate classification within intangible assets. The estimated useful lives are as follows:

Capitalised development costs	3 to 5 years

(o) Employee benefits

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

(p) Provisions for liabilities and charges and contingent liabilities

A provision is recognised where there is a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expected expenditure required to settle the obligation. A contingent liability is a possible obligation that is dependent on the outcome of uncertain future events not wholly within the control of the Company, or a present obligation where an outflow of resources is not likely or the amount cannot be reliably measured.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources is remote.

(q) Share capital

Ordinary shares are classified as equity. Preference shares may be classified as equity or debt regarding their characteristics.

(r) Dividends

Dividends paid are reported in equity in the period they are approved by the Company's Board.

(s) Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

(t) Pension Costs

The Company participates in a defined contribution pension scheme operated by an independent fund manager. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The Company's principal accounting policies are set out above. United Kingdom company law and FRS 101 require the Directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. Where accounting standards are not specific and management have to choose a policy, IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' requires them to adopt policies that will result in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB Framework for the Preparation and Presentation of Financial Statements. The judgements and assumptions involved in the Company's accounting policies that are considered to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

(a) Loan impairment provisions

The Company's loan impairment provisions are established to recognise incurred impairment losses in its portfolio of customer loans classified as loans and receivables and carried at amortised cost. A loan is impaired when there is objective evidence that events since the loan was granted have affected expected cash flows from the loan. The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate.

The Company's loan impairment provisions are established on a portfolio basis taking into account the level of arrears, past loss experience and defaults based on portfolio trends. The most significant factor in establishing these provisions are the expected loss rates. These portfolios include receivables and other personal advances. The future credit quality of these portfolios is subject to uncertainties that could cause actual credit losses to differ materially from reported loan impairment provisions. These uncertainties include the economic environment, notably interest rates and their effect on customer spending, unemployment levels, payment behaviour and bankruptcy trends.

(b) Effective interest rate

In calculating the effective interest rate of a financial instrument the Company takes into account all amounts that are integral to the yield. In the case of loans and advances to customers, judgement is applied in estimating future cash flows. Judgement is also required in estimating the expected average life of customer debt balances. A change in the estimate of any of the key variables in this calculation could have the potential to significantly impact income recognised in the income statement.

(c) Development costs

The Company has capitalised internally generated intangible assets as required in accordance with IAS 38. Management has assessed expected contribution to be generated from these assets and deemed an impairment adjustment of £0.9 million (2015: £nil) is required to the carrying value of the assets. Management consider it probable that software development activities in the course of construction will result in a deployable system. The recoverable amount of the assets has been determined based on value in use calculations which require the use of estimates and judgements.

(d) Impairment of assets

FRS 101 requires management to undertake an annual test for impairment test for assets with finite lives, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the fair value less costs to sell or net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions have been made in respect of highly uncertain matters including management’s expectations of growth and discount rates. Changing the assumptions selected by management could significantly affect the company’s impairment evaluation and hence results. The company’s review includes the key assumptions related to sensitivity in the cash flow projections.

(e) Fair values estimation for financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Short term receivables and payables, deemed to be one year or less, are measured at original invoice amount.

4. SEGMENTAL REPORTING

The company operates in one class of business, namely the financing of insurance premiums and instalment services, and in one geographical area, Europe. Accordingly, a segmental analysis of the company's business is not provided.

5. NET INTEREST INCOME

	2016	2015
	£'000	£'000
Interest receivable on:		
Interest income on loans and advances to customers	**120,098**	112,971
Interest income	**120,098**	**112,971**
Interest payable on:		
Amounts owed to related party	**(20,403)**	(23,051)
Interest expense	**(20,403)**	(23,051)
Net interest income	**99,695**	89,920

Amounts owed to related party is LIBOR linked interest payable to PCL Funding I Limited, the special purpose securitisation vehicle.

6. FEE AND COMMISSION INCOME

	2016	2015
	£'000	£'000
Servicing and administration fees	**18,725**	18,293
Fee and commission income	**18,725**	18,293

7. FEE AND COMMISSION EXPENSE

	2016	2015
	£'000	£'000
Fees and commission payable	**6,070**	5,033
Fee and commission expense	**6,070**	5,033

The costs associated with Servicing and administration fees income are primarily included in administrative expenses. See note 8 on page 38 for an analysis of the Company's administrative expenses.

8. OPERATING PROFIT BEFORE TAX

Administrative Expenses

	2016 £'000	2015 £'000
Staff costs:		
Wages and salaries	**22,177**	23,944
Social security costs	**2,697**	2,973
Other pension costs	**1,164**	1,099
Total staff costs	**26,038**	28,016
Non staff costs:		
Other administration costs	**22,075**	33,020
Foreign currency (gain)/loss	**(6,232)**	1,372
Impairment of loans and advances to customers	**6,658**	5,582
Depreciation and amortisation	**3,429**	1,971
Total non-staff costs	**25,930**	41,945
Total administrative expenses	**51,968**	69,961

Operating profit before tax is stated after charging:

	2016 £'000	2015 £'000
Operating lease rentals	**500**	264
Depreciation charge on tangible fixed assets	**1,837**	1,745
Amortisation charge on intangible fixed assets	**1,592**	226
Impairment of loans and advances to customers	**6,658**	5,582
Loss on disposal of assets	**14**	260
Impairment of intangible assets	**877**	-

Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements of the Group, Company and other Group undertakings, and for other services provided to the Group.

Audit services	2016 £'000	2015 £'000
Audit services	**234**	315
Advisory services	**71**	42
Total auditors' remuneration	**305**	357

Employees

During 2016, the Company employed all of the personnel (including directors) of the Company. The average monthly number of employees (including executive directors) employed by the Company during the year was 408 (2015: 385). All employees are engaged in the financing of insurance premiums and instalment services and are split into the following functions:

	2016 Number	2015 Number
Operations	**177**	176
General and administration	**160**	146
Sales and marketing	**71**	63
Average monthly number of employees	**408**	385

The Company operates a defined contribution pension scheme on behalf of its qualifying employees. There were no outstanding or prepaid pension contributions at the balance sheet date.

No retirement benefits are accruing to directors (2015: £nil) under the Company's defined contribution pension scheme.

9. DIRECTORS' EMOLUMENTS

The remuneration of the Directors paid by the Company during the year was as follows:

	2016 £'000	2015 £'000
Aggregate emoluments	**1,774**	1,460
Payments in lieu of notice	**-**	621
Total emoluments	**1,774**	2,081

The total emoluments of the highest paid Director were £0.7 million (2015: £1.5 million) which did not include a payment in lieu of notice (2015: £0.6 million).

10. FINANCING INCOME

	2016 £'000	2015 £'000
Amounts owed by related party	**57**	104
Financing income	**57**	104

11. INCOME TAX EXPENSE

Income tax expense

	2016 **£'000**	2015 £'000
Current tax expense/(credit) - current year	**2,820**	-
Current tax expense/(credit) - prior year	**(542)**	(472)
Total current tax	**2,278**	(472)
Deferred tax expense/(credit) - current year	**(53)**	505
Deferred tax expense/(credit) - prior year	**5**	(16)
Total deferred tax	**(48)**	489
Foreign tax	**631**	327
Total foreign tax	**631**	327
Total tax expense	**2,861**	344

The standard rate of corporation tax in the United Kingdom reduced to 20% on 1 April 2015 and, through the enactment of the Finance (No. 2) Act 2015 on 18 November 2015, this will reduce to 19% from 1 April 2017. Further, the Finance Act 2016, which was enacted on 15 September 2016, reduces the standard rate of corporation tax to 17% from 1 April 2020. The company's profits for this accounting period are taxed at the applicable rate of 20% (2015: 20.25%).

	2016 **£'000**	2015 £'000
Profit before taxation	**60,439**	33,323
Profit on ordinary activities multiplied by rate in the UK of 20% (2015: 20.25%)	**12,088**	6,747
Factors affecting expense for the year:		
Expenses not deductible for tax purposes	**96**	1,023
Adjustment to prior years – current tax	**(542)**	(472)
Adjustment to prior years – deferred tax	**5**	(16)
Effects of rate change	**37**	-
Double tax relief	**(983)**	-
Overseas tax	**631**	327
Group relief	**(8,386)**	(7,313)
Other tax adjustments	**(85)**	48
Total tax expense	**2,861**	344

12. INTANGIBLE ASSETS

	Assets under construction £'000	Software £'000	Total £'000
Net carrying value at 31 December 2015	**3,831**	**1,241**	**5,072**
Cost			
At 1 January 2016	**3,831**	**2,529**	**6,360**
Additions	7,231	-	7,231
Transfers	(4,951)	4,951	-
Disposal	-	(1,164)	(1,164)
At 31 December 2016	**6,111**	**6,316**	**12,427**
Accumulated amortisation			
At 1 January 2016	**-**	**1,288**	**1,288**
Charge for the year	-	1,592	1,592
Impairment	-	877	877
Disposal	-	(1,164)	(1,164)
At 31 December 2016	**-**	**2,593**	**2,593**
Net carrying value at 31 December 2016	**6,111**	**3,723**	**9,834**

Assets under construction relate to internally developed software. The Directors have reviewed the assets for impairment and identified £0.9 million of assets which are impaired (2015: £nil).

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold offices £'000	Leasehold improvements £'000	Vehicles and equipment £'000	Total £'000
Net carrying value at 31 December 2015	**132**	**-**	**3,296**	**3,428**
Cost				
At 1 January 2016	**4,100**	**1,830**	**11,243**	**17,173**
Additions	-	2,726	1,885	4,611
Disposals	(4,100)	(1,830)	(217)	(6,147)
At 31 December 2016	**-**	**2,726**	**12,911**	**15,637**
Accumulated depreciation				
At 1 January 2016	**3,968**	**1,830**	**7,947**	**13,745**
Charge for the year	132	9	1,696	1,837
Disposals	(4,100)	(1,830)	(203)	(6,133)
At 31 December 2016	**-**	**9**	**9,440**	**9,449**
Net carrying value at 31 December 2016	**-**	**2,717**	**3,471**	**6,188**

14. LOANS AND ADVANCES TO CUSTOMERS

	31 Dec 2016 £'000	31 Dec 2015 £'000
Gross loans and advances to customers	**1,505,996**	1,453,578
Less: allowance for impairment	**(5,837)**	(3,840)
Net loans and advances to customers	**1,500,159**	1,449,738

Split as:		
Current	**1,496,840**	1,449,547
Non-current	**3,319**	191

At 31 December 2016, £1,127 million (2015: £1,084 million) of the loan and advances to customers had its beneficial interest assigned to a special purpose vehicle, PCL Funding 1 Limited, as collateral for securitisation transactions.

The following table shows impairment provisions for loans and advances:

	2016 £'000	2015 £'000
At 1 January	**3,840**	3,059
Foreign exchange impact	**35**	(9)
Reclassification of provision	**215**	-
Increase in allowance, net of recoveries, charged to income statement	**1,747**	790
At 31 December	**5,837**	3,840

15. PREPAYMENTS AND OTHER RECEIVABLES

	2016 £'000	2015 £'000
Amounts due from Group undertakings	**42,290**	27,310
Other receivable	**973**	2,840
Corporation tax receivable	**-**	819
Prepayments and accrued income	**8,797**	4,249
Prepayments and other receivables	**52,060**	35,218

Split as:		
Current	**40,441**	27,999
Non-current	**11,619**	7,219

Amounts owed by Group undertakings are unsecured. A loan of £7.6 million (2015: £7.2 million) was made to Vendcrown Limited which is repayable in October 2022 and earns interest at 1%. The remaining balance of £34.7 million (2015: £20.1 million) relates principally to expenses paid by PCL on behalf of related parties and is interest free and repayable on demand.

Non-current prepayments and other receivables of £11.6 million (2015: £7.2 million) are £7.6 million (2015: £7.2 million) of amounts due from Group undertakings, £2.7 million (2015: £nil) of fees relating to the Master

Trust which will be amortised over 5 years upon completion, and £1.3 million (2015: £nil) of fees relating to undrawn facilities.

16. DEFERRED TAX ASSETS

Deferred tax included in the balance sheet is as follows:

	2016 £'000	**2015 £'000**
Deferred tax asset as at 1 January	**423**	**912**
Deferred tax charge/(credit) for the year attributable to:		
Deferred tax charge in respect of current year	90	(457)
Adjustments in respect of prior period	(5)	16
Effect of rate change	(37)	(48)
Deferred tax asset as at 31 December	**471**	**423**

17. CASH AND CASH EQUIVALENTS

	31 Dec 2016 £'000	31 Dec 2015 £'000
Bank balances	**29,084**	30,408
Cash and cash equivalents	**29,084**	30,408

18. TRADE AND OTHER PAYABLES

	2016 £'000	2015 £'000
Trade payables	**411,881**	403,344
Amounts owed to Group undertakings	**969,050**	935,359
Accruals and deferred income	**18,626**	16,073
Other creditors	**240**	288
Corporation tax payable	**426**	-
Social security and other taxes	**737**	1,052
Total trade and other payables	**1,400,960**	1,356,116

Amounts owed to Group undertakings of £969.1 million (2015: £935.4 million) consist of £969.3 million owed to PCL Funding I Limited (2015: £938.4 million) less loan fees of £1.5 million (2015: £3.0 million) and £1.3 million (2015: £nil) owed to Pomegranate Acquisitions Limited, which is interest free and repayable on demand. Intercompany balances with PCL ('the SPV') arise on securitisation transactions, including the issue of securitisation notes. Securitisation notes are a source of variable rate funding provided to the company through the sterling denominated Variable Note Issuance Programme in the SPV. Notes are issued or redeemed in proportion to the increase or decrease in the portfolio of loans and advances to customers. The amounts owed to the SPV include drawdown by the company under the note issuance programme of £990.4 million (2015: 955.2 million) and cash balances in SPV of £21.1 million (2015: £16.8 million). At 31 December 2016, the value of the loans securitised as collateral for notes issued was £1,127 million (2015: £1,084 million). The interest rate payable is LIBOR linked.

19. CALLED UP SHARE CAPITAL

	2016	2015
	£'000	£'000
Allotted and fully paid		
10,000 (2015: 10,000) ordinary shares of £1 each	10	10
Warrants on 10,000 ordinary shares (2015: 10,000) of 1 USD each	-	-
Called up share capital	**10**	10

On incorporation the company issued warrants on 10,000 ordinary shares of USD 0.01 each. The warrants are held by the registered shareholder of the ordinary shares of £1 each; they are exercisable into 10,000 ordinary shares of USD1 each.

The warrant is currently securely held by the ultimate controlling party, the Fifth Cinven Fund which is managed by Cinven Capital Management (V) General Partner Limited ("Cinven"), for the benefit of Vendcrown Limited.

20. DIVIDENDS

	2016	2015
On Ordinary shares	**£'000**	£'000
Declared and paid: £3,100.00 per £1 share (2015: £2,348.90 per £1 share)	**31,000**	23,489
Dividends paid	**31,000**	23,489

21. INVESTMENT IN GROUP UNDERTAKINGS

Name	Country of incorporation	Nature of business	Percentage of shares held	Share Capital
Direct Debit Management Services Limited	UK	Dormant	100	£2

The registered address of Direct Debit Management Services is Ermyn House, Ermyn Way, Leatherhead, Surrey, KT22 8UX.

The directors believe that the carrying value of the investment is supported by the underlying net assets.

22. CONTINGENT LIABILITIES AND COMMITMENTS

a) Capital Commitments

Capital expenditure authorised and contracted for but not provided in the financial statements amounts to £nil (2015: £nil).

b) Lease commitments

The Company has outstanding commitments for future minimum lease payments under non-cancellable leases. The leases have varying terms, escalation clauses and renewal rights, and fall due as follows:

	Land & Buildings		**Other**	
	2016	2015	**2016**	2015
	£'000	£'000	**£'000**	£'000
No later than one year	**11**	496	**173**	225
Later than one year and no later than five years	**3,305**	176	**65**	129
Over five years	**4,594**	-	**-**	-
Operating lease commitments	**7,910**	672	**238**	354

23. FINANCIAL INSTRUMENTS

The following tables analyse the financial assets and financial liabilities in accordance with the categories of financial instruments in IAS39.

a) Classification of financial instruments by IAS39 category

At 31 December 2016	**Loans and receivables £'000**	**Other financial instruments at amortised cost £'000**	**Total £'000**
Assets			
Cash and cash equivalents	29,084	-	29,084
Loans and advances to customers	1,500,159	-	1,500,159
Other receivables	43,263	-	43,263
Total financial assets	**1,572,506**	**-**	**1,572,506**
Liabilities			
Trade and other payables	-	(1,400,534)	(1,400,534)
Total financial liabilities	**-**	**(1,400,534)**	**(1,400,534)**

At 31 December 2015	Loans and receivables £'000	Other financial instruments at amortised cost £'000	Total £'000
Assets			
Cash and cash equivalents	30,408	-	30,408
Loans and advances to customers	1,449,738	-	1,449,738
Other receivables	30,150	-	30,150
Total financial assets	**1,510,296**	**-**	**1,510,296**
Liabilities			
Trade and other payables	-	(1,356,116)	(1,356,116)
Total financial liabilities	**-**	**(1,356,116)**	**(1,356,116)**

b) Fair values

Except as detailed in the following table, the Directors consider that the carrying value amounts of financial assets and financial liabilities recorded on the balance sheet are approximately equal to their fair values.

At 31 December 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Loans and advances to customers	-	1,500,159	-	1,500,159
Other receivables	-	43,263	-	43,263
Total financial assets	**-**	**1,543,422**	**-**	**1,543,422**
Liabilities				
Trade and other payables		(1,400,534)		(1,400,534)
Total financial liabilities	**-**	**(1,400,534)**	**-**	**(1,400,534)**

At 31 December 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Loans and advances to customers	-	1,449,738	-	1,449,738
Other receivables	-	30,150	-	30,150
Total financial assets	**-**	**1,479,888**	**-**	**1,479,888**
Liabilities				
Trade and other payables		(1,356,116)		(1,356,116)
Total financial liabilities	-	**(1,356,116)**	**-**	**(1,356,116)**

There are three levels to the hierarchy as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

24. CAPITAL RESOURCES

It is the Company's policy is to maintain a strong capital base, to expand it as appropriate and to utilise it efficiently throughout its activities to optimise the return to shareholders while maintaining a prudent relationship between the capital base and the underlying risks of the business.

The Group's objectives in managing capital are:

- To ensure that the Company has sufficient capital to meet its operational requirements and long-term strategic objectives;
- To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for its stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital based on the Board's view of perceived credit risk, the availability and cost of external financing. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, having particular regard to the relative costs and availability of debt and equity finance at any given time. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, issue or redeem other capital instruments, such as corporate bonds, or allow loans and receivables to mature without subsequent advancement. The Company is not subject to any externally imposed capital requirements.

	2016 **£'000**	**2015** **£'000**
Profit after tax for the year	**57,578**	**32,979**
Divided by:		
Opening equity	**168,171**	159,181
Closing equity	**196,836**	168,171
Average equity	**182,504**	163,676
Return on equity	**31.5%**	20.1%

Return on equity is defined by the Company as profit after tax divided by the average of the opening and closing equity positions.

The debt and equity amounts for the Company at 31 December 2016 and 31 December 2015 were as follows:

	Note	2016 £'000	2015 £'000
Debt			
Amounts owed to Group undertakings	18	**969,050**	935,359
Less: cash	17	**(29,084)**	(30,408)
Net debt		**939,966**	904,951
Equity			
Total equity		**196,836**	168,171
Total net debt plus equity		**1,136,802**	1,073,122

25. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with wholly owned companies within the Group.

26. PENSION COMMITMENTS

Contributions to the defined contribution pension scheme during the year were £1.2 million (2015: £1.1 million). At year-end there were no outstanding or prepaid contributions (2015: £ nil).

27. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Vendcrown Limited.

The ultimate parent undertaking at 31 December 2016 is Pomegranate Topco Limited, a company incorporated in Jersey. The consolidated financial statements of Pomegranate Topco Limited are available from Aztec Financial Services (Jersey) Limited, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

The ultimate controlling party is the Fifth Cinven Fund which is managed by Cinven Capital Management (V) General Partner Limited.

The Mizzen Mezzco Limited Group is the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member. The consolidated financial statements of Mizzen Mezzco Limited are available from Ermyn House, Ermyn Way, Leatherhead, KT22 8UX, England.

28. POST BALANCE SHEET EVENTS

A Master Trust facility structure was put in place which became effective 2 February 2017, replacing the existing securitisation facility. This provides access to the same sources of funding as under the securitisation facility, plus funding for an excess concentration series and will allow future access to public Asset-backed security (ABS) funding. This diversified our funding base, further reducing liquidity risk.

D: CORPORATE INFORMATION

Directors	Chris Burke Peter Catterall Maxim Crewe Colin Keogh Nayan Kisnadwala John Reeve Anthony Santospirito Thomas Woolgrove David Young
Company Secretary	Jasan Fitzpatrick
Registered Office	Ermyn House Ermyn Way Leatherhead KT22 8UX England
Website	www.premiumcredit.co.uk
Company number	2015200
Solicitors	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HT
Bankers	HSBC Bank PLC 8 Canada Square Canary Wharf London E14 5HQ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT