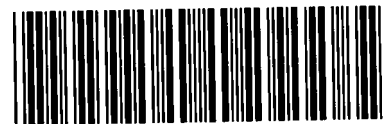


IPF HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

(Company Number 01525242)

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IPF HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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(Company Number 01525242)

IPF HOLDINGS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Principal activities and going concern

The principal activity of the company is to act as a holding and investment company for the operations of International Personal Finance plc.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the next 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Results

The Profit and loss account for the year is set out on page 6. The profit after tax for the year of £47,019,000 (2017: loss of £393,000) has been added to (2017: deducted from) reserves. The company's result benefitted from the receipt of a dividend of £46,537,000 (2017: £nil) from a subsidiary.

3. Principal risks and uncertainties

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

- The company is subject to a risk of credit default on all its intercompany lending. The repayment is dependent on the performance of the counterparty which is reviewed on a regular basis.
- The company has significant investments in other entities. There is a risk that the value of these investments may deteriorate as a result of the performance of these entities. Performance is reviewed on a regular basis and corrective action to protect the value of these investments is taken as appropriate.

The directors do not expect any further losses to arise from these risks.

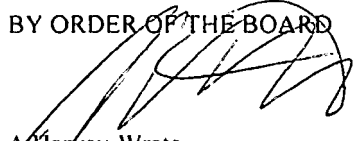
4. Key performance indicators (KPIs)

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

5. Future Development

As the company acts as a holding and investment company the general level of activity is to remain consistent in the forthcoming year.

BY ORDER OF THE BOARD


A. Harvey-Wrate
Company Secretary

LEEDS
21 March 2019

(Company Number 01525242)

IPF HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report together with the audited financial statements of the company and the auditors' opinion for the year ended 31 December 2018.

1. Dividend

During the year no dividends were declared and paid (2017: £nil).

2. Directors

The directors of the company at 31 December 2018 and at the date of this report, all of whom were directors for the whole of the year then ended, were:

J N Dahlgreen
J A Lockwood
J A Ormrod
G J Ryan

3. Capital structure

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

4. Disclosure of information to the auditor

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

6. Risks

All principal risks and uncertainties have been assessed and disclosed in the company's strategic report.

6. Auditor

A resolution to reappoint Deloitte LLP as auditor will be proposed at the forthcoming AGM.

BY ORDER OF THE BOARD



A Harvey-Wrate
Company Secretary

LEEDS

21 March 2019

IPF HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

BY ORDER OF THE BOARD



A Harvey-Wrate
Company Secretary

LEEDS

21 March 2019

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Birch FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
22 March 2019

IPF HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Notes</u>	<u>2018</u> £'000	<u>2017</u> £'000
REVENUE	2	1,001	2,486
GROSS PROFIT		<u>1,001</u>	<u>2,486</u>
Administrative expenses		(4,591)	(5,856)
OPERATING LOSS		<u>(3,590)</u>	<u>(3,370)</u>
Interest payable and similar expenses	3	(41)	(45)
Interest receivable	3	4,133	3,046
Dividends	2	46,537	-
PROFIT / (LOSS) BEFORE TAXATION	2	47,039	(369)
Tax charge on profit / (loss)	5	(20)	(24)
PROFIT / (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDER OF THE COMPANY		<u>47,019</u>	<u>(393)</u>

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Notes</u>	<u>2018</u> £'000	<u>2017</u> £'000
PROFIT / (LOSS) FOR THE YEAR		47,019	(393)
Total comprehensive income / (expense) for the year		<u>47,019</u>	<u>(393)</u>

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

The notes on pages 9 to 17 form part of these financial statements.

(Company Number 01525242)

IPF HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2018

	<u>Notes</u>	<u>2018</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>
NON CURRENT ASSETS			
Tangible assets	6	27	38
Investments	7	59,278	59,274
Deferred tax	10	91	111
		<u>59,396</u>	<u>59,423</u>
CURRENT ASSETS			
Debtors	8	123,992	77,907
Cash at bank and in hand		1	2
		<u>123,993</u>	<u>77,909</u>
CREDITORS: amounts falling due within one year	9	(417)	(1,379)
NET CURRENT ASSETS		<u>123,576</u>	<u>76,530</u>
NET ASSETS		<u>182,972</u>	<u>135,953</u>
CAPITAL AND RESERVES			
Called-up share capital	11	3,239	3,239
Profit and loss account		179,733	132,714
		<u>182,972</u>	<u>135,953</u>

The financial statements on pages 6 to 17 were approved and authorised for issue by the board of directors on 21 March 2019 and were signed on its behalf by:

J N Dahlgreen



(Directors)

J A Lockwood



(Company Number 01525242)

IPF HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Called-up</u> <u>share capital</u> <u>Note 11</u> <u>£'000</u>	<u>Profit and loss</u> <u>account</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Balance at 1 January 2017	3,239	133,107	136,346
Loss for the year	-	(393)	(393)
Total comprehensive expense for the year	-	(393)	(393)
Balance at 31 December 2017	3,239	132,714	135,953
Profit for the year	-	47,019	47,019
Total comprehensive income for the year	-	47,019	47,019
Balance at 31 December 2018	3,239	179,733	182,972

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Principal accounting policies

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

a) Basis of accounting

IPF Holdings Limited "the company" is a private company limited by shares incorporated and registered in England and Wales in the United Kingdom under the Companies Act. The address of the registered office is given in note 15. The nature of the company's operations and its principal activity are set out in the strategic report on page 1.

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

The financial statements have been prepared on the historic cost basis.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the Group financial statements of International Personal Finance plc. Details of the parent in whose consolidated financial statements the company is included are shown in note 15 to the financial statements.

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

The Group financial statements of International Personal Finance plc are available to the public and can be obtained as set out in note 15.

b) Revenue

Revenue represents the amounts receivable from fellow subsidiary undertakings in respect of the provision of business know-how and services and is recognised on an accruals basis.

c) Administrative expenses

Administrative expenses represent costs incurred in the development and strategic management of the overseas business units of International Personal Finance plc and are recognised on an accruals basis.

d) Foreign exchange

The functional currency of the company is considered to be pounds sterling. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are expressed, in sterling, at the rates of exchange ruling at the end of the financial year or the contracted rate to the extent that they are hedged. Resultant gains or losses are taken to the profit and loss account.

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

1. Principal accounting policies (continued)

e) Taxation

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

Current tax is calculated based on taxable profit or loss for the year using tax rates that have been enacted or substantively enacted by the balance sheet date. Where withholding tax has been suffered on overseas income received, it has been accounted for as overseas tax. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

f) Subsidiary undertakings

The company undertakes an annual impairment review of investments in subsidiaries, which is performed by way of a comparison of the carrying value of the investment with the net assets of the subsidiary, or the future value in use. Where the carrying value is greater than the net assets or future value in use, a provision for impairment is made.

g) Fixed Assets

Fixed assets are measured at cost less depreciation and accumulated impairment. Depreciation of tangible fixed assets has been calculated by reference to the expected usual lives of the assets concerned. The following are the principal annual bases:

	<u>Percent</u>	<u>Basis</u>
Equipment, including computers	10 - 33.33%	Straight line
Leasehold improvements	10%	Straight line

Where fixed assets become obsolete, or suffer impairment in value, provision is made in the profit and loss account where necessary.

h) Operating leases

The leases entered into by the company are solely operating leases. Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards of ownership to the company.

i) Income from shares in Group undertakings

The company receives dividends from Group undertakings which are recognised in the profit and loss account on an accruals basis.

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

1. Principal accounting policies (continued)

j) Interest receivable

Interest income represents interest receivable on certain Group balances and bank deposits and is recognised on an accruals basis.

k) Interest payable and similar expenses

This represents the interest payable on certain Group balances. This was accounted for on an accruals basis.

l) Going concern

The company's business activities are set out in the Strategic Report on page 1.

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

The directors, having assessed the responses of the directors of the company's parent International Personal Finance plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the International Personal Finance plc Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of International Personal Finance plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence in the next 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

m) Exceptional

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

n) Cash and cash equivalents

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

o) Debtors and Creditors

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

p) Dividends

Dividend income is recognised when the right to receive payment is established.

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

2. Revenue and profit / (loss) before taxation

Revenue relates to one class of business, the origin of which is wholly within the UK.

The profit / (loss) on ordinary activities before taxation is stated after charging/(crediting):

	<u>2018</u> £'000	<u>2017</u> £'000
Depreciation of tangible fixed assets	11	19
Auditor's remuneration:		
Fees payable to the auditor for the audit of the company's financial statements	2	2
Operating lease rentals	909	909
Dividends	(46,537)	-
Net foreign exchange losses/(gains)	(41)	111
Impairments of investments	-	221
	<hr/>	<hr/>

3. Interest (payable)/receivable and similar expenses

	<u>2018</u> £'000	<u>2017</u> £'000
Interest payable and similar expenses		
Interest payable - Group	(41)	(45)
	<hr/>	<hr/>
Interest receivable		
Interest receivable - Group	4,133	3,046
	<hr/>	<hr/>

4. Directors' emoluments and employee information

All the costs of the directors' emoluments were borne by another Group company.

During the year three of the directors (2017: four) exercised 96,629 (2017: 117,685) share options in shares of the company's parent undertaking International Personal Finance plc. The exercise price of these options was £zero (2017: between £zero).

The average number of persons employed by the company, excluding executive directors, during the year was nil (2017: nil). All employee and related costs were borne by the company's parent undertaking or fellow subsidiary undertakings.

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

5. Tax charge on profit / (loss)

(a) Analysis of tax charge for the year:

	<u>2018</u> £'000	<u>2017</u> £'000
Deferred tax :		
Origination and reversal of timing differences	(20)	(25)
Adjustment in respect of prior years	-	1
Total deferred tax charge (note 10(b))	<u>(20)</u>	<u>(24)</u>
Tax charge on profit / (loss) (note 5(b))	<u>(20)</u>	<u>(24)</u>

(b) Factors affecting the tax charge for the year:

The tax charge for the year can be reconciled to the profit and loss account as follows:

	<u>2018</u> £'000	<u>2017</u> £'000
Profit / (loss) before taxation	47,039	(369)
Expected tax (charge) / credit calculated at the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	<u>(8,937)</u>	<u>71</u>
Effects of:		
Expenses not deductible for tax purposes	(2)	(45)
Tax losses surrendered for no consideration	77	(51)
Non taxable dividends	8,842	-
Adjustment in respect of prior years	-	1
Total tax charge for the year (note 5(a))	<u>(20)</u>	<u>(24)</u>

(c) Factors that may affect future tax charges:

Future tax charges or credits are likely to be in line with the standard rate of corporation tax in the UK which is currently 19% (17% with effect from 1 April 2020).

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

6. Tangible fixed assets

	<u>Equipment</u> £'000	<u>Leasehold improvements</u> £'000	<u>Total</u> £'000
Cost			
At 1 January 2017	5,064	2,601	7,665
Additions	-	8	8
At 31 December 2017	<u>5,064</u>	<u>2,609</u>	<u>7,673</u>
Additions	-	-	-
At 31 December 2018	<u>5,064</u>	<u>2,609</u>	<u>7,673</u>
Depreciation			
At 1 January 2017	5,022	2,594	7,616
Charge for the year	12	7	19
At 31 December 2017	<u>5,034</u>	<u>2,601</u>	<u>7,635</u>
Charge for the year	10	1	11
At 31 December 2018	<u>5,044</u>	<u>2,602</u>	<u>7,646</u>
Net book value at 31 December 2017	<u>30</u>	<u>8</u>	<u>38</u>
Net book value at 31 December 2018	<u>20</u>	<u>7</u>	<u>27</u>

7. Investments

Investments in subsidiary undertakings or fellow subsidiary undertakings comprise:

	<u>Shares at cost</u> £'000
At 1 January 2018	59,274
Additions	4
Impairment	-
At 31 December 2018	<u>59,278</u>

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

7. Investments (continued)

<u>Name of subsidiary or fellow subsidiary</u>	<u>Country of incorporation</u>	<u>Class of shares issued</u>	<u>Percentage holding</u>
International Personal Finance Investments Limited	England	Ordinary £1	100%
IPF Financial Services Limited	England	Ordinary £1	100%

All UK subsidiaries are registered at the same office as the company, and this address is shown in note 15 on page 17.

In the opinion of the directors, the value of the company's investment in its subsidiary or fellow subsidiary undertakings is not worth less than the amount at which it is stated in the balance sheet.

8. Debtors

Amounts falling due within one year:

	<u>2018</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>
Amounts owed by ultimate parent undertaking	123,500	77,137
Amounts owed by other Group undertakings	93	194
Other debtors	60	50
Prepayments and accrued income	339	526
	<u>123,992</u>	<u>77,907</u>

Amounts owed by the company's ultimate parent undertaking are unsecured and have no fixed date of repayment and include amounts where interest is credited at rates based on the cost of external finance. No interest is credited on amounts owed by other Group undertakings.

9. Creditors

Amounts falling due within one year:

	<u>2018</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>
Trade creditors	40	204
Amounts owed to ultimate parent undertaking	-	882
Amounts owed to other Group undertakings	40	263
Accruals and deferred income	337	30
	<u>417</u>	<u>1,379</u>

Amounts owed to the company's ultimate parent undertaking and other Group undertakings are unsecured. Amounts owed to the company's ultimate parent undertaking and other Group undertakings include amounts where interest is charged at rates based on the cost of external finance.

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

10. Deferred taxation

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

	<u>2018</u> £'000	<u>2017</u> £'000
Accelerated capital allowances	91	111
	<hr/>	<hr/>

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

	<u>2018</u> £'000
Deferred tax asset at 1 January 2018	111
Charged to profit and loss account in the year (note 5(a))	(20)
	<hr/>
Deferred tax asset at 31 December 2018	91
	<hr/>

11. Called-up share capital

	<u>2018</u> £'000	<u>2017</u> £'000
Authorised 6,000,000 ordinary shares of £1 each	6,000	6,000
	<hr/>	<hr/>
Allotted, called-up and fully paid 3,239,072 ordinary shares of £1 each	3,239	3,239
	<hr/>	<hr/>

IPF HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

12. Related party disclosures

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

13. Operating leases

The company has annual commitments to make operating lease payments under all existing leases as follows:

	Land and buildings <u>2018</u> £'000	<u>Total</u> <u>2018</u> £'000	Land and buildings <u>2017</u> £'000	<u>Total</u> <u>2017</u> £'000
Expiring				
More than one year but less than five years	909	909	909	909
	<u>909</u>	<u>909</u>	<u>909</u>	<u>909</u>

14. Contingent liabilities

The company has a contingent liability for (i) guarantees given in respect of borrowings made by the company's ultimate parent undertaking and (ii) guarantees given jointly and severally with the company's ultimate parent undertaking in respect of borrowings made by certain of its fellow subsidiaries to a maximum of £868,533,000 (2017: £850,657,000). At 31 December 2018 the borrowings amounted to £696,435,000 (2017: £675,997,000). No loss is expected to arise.

15. Parent undertaking

The company, whose liability is limited to a maximum of the share capital issued, is registered and domiciled in the United Kingdom, the registered office of the company is located at Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD. The immediate and ultimate parent undertaking and controlling party is International Personal Finance plc, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of that company's consolidated financial statements can be obtained from the Company Secretary, International Personal Finance plc, Number Three, Leeds City Office Park, Meadow Lane, Leeds LS11 5BD.

16. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The directors deem that the only significant critical judgement is regarding the carrying value of investments in subsidiaries. The directors monitor the carrying values of all investments in subsidiaries by reference to annual budgets and impair the carrying values of investments in subsidiaries if the budgets do not support the current valuation of investments. There have been no sources of estimation uncertainty.