



Condensed Consolidated

Quarterly Financial Information (Unaudited) Mizzen Mezzco Limited

Quarter ended March 31, 2015

Premium Credit is the No.1 Insurance Financing Company

Mizzen Mezzco Limited

Registered Number: 08179245

Mizzen Mezzco Limited

Annual Financial Statements

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General and Recent Developments

Recent Developments

On January 13, 2015, GTCR LLP, the ultimate controlling party at December 31, 2014, announced its intention to dispose of its entire stake in the Group to “Cinven” for £462 million. The deal completed on February 27, 2015, the date at which Cinven Partners LLP is determined by the Board to be the ultimate controlling party.

Following the acquisition by Cinven Partners LLP, a corporate restructuring was undertaken and the Board now considers the ultimate parent undertaking to be Pomegranate Topco Limited, which is incorporated in Jersey.

Mizzen Mezzco Limited

Forward Looking Statements

This Annual Report includes forward looking statements. All statements other than statements of historical facts included in this report, including those regarding Mizzen Mezzco's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Mizzen Mezzco, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

The words "believe," "anticipate," "expect," "predict," "intend," "estimate," "plan," "aim," "assume," "forecast," "project," "will," "may," "should," "risk," "probable" and similar expressions, which are predictions or indications of future events and future trends, which do not relate to historical matters, identify forward-looking statements. All statements other than statements of historical facts included in this report including, without limitation, in relation to the Group's investment performance, results of operations, financial position, liquidity, prospects, growth potential, strategies and information about the macro-economic, industry and regulatory environment in which the Group operates are forward-looking. Readers of this report should not rely on forward-looking statements because, by their nature, such forward-looking statements involve known and unknown risks and uncertainties that could cause the Group's actual results, performance or achievements and the development of the industry in which it operates to be materially different from those expressed in, or suggested by, the forward-looking statements contained in this report.

These forward-looking statements are made as of the date of this report and are not intended to give any assurance as to future results. Neither the Group nor any of the Group's Directors or other officers undertakes any obligation, except as required by law or by any appropriate regulatory authority, to report publicly any revisions or updates to these forward-looking statements to reflect events that occur, circumstances that arise or new information of which they become aware after the date of this report.

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Use of Non-GAAP Financial Measures

EBITDA

EBITDA-based measures are non-U.K. GAAP measures. The Group uses EBITDA-based measures as internal measures of performance to benchmark and compare performance, both between its own operations and as against other companies. EBITDA-based measures are measures used by the Group, together with measures of performance under U.K. GAAP, to compare the relative performance of operations in planning, budgeting and reviewing the performances of various businesses. The Group believes EBITDA-based measures are useful and commonly used measures of financial performance in addition to operating profit and other profitability measures under U.K. GAAP because they facilitate operating performance comparisons from period to period and company to company. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortisation methods, financing and capital structures, taxation positions or regimes and exceptional items, the Group believes EBITDA-based measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, the Group believes EBITDA-based measures and similar measures are regularly used by the investment community as a means of comparison of companies in the Group's industry. Different companies and analysts may calculate EBITDA-based measures differently, so making comparisons among companies on this basis should be done very carefully. EBITDA-based measures are not measures of performance under U.K. GAAP and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of the Group's operations in accordance with U.K. GAAP.

EBITDA represents profit for the period before taxation, interest payable and similar charges, depreciation and amortisation, goodwill amortisation and amortisation of Securitisation Facility refinancing fees. EBITDA is not specifically defined under, or presented in accordance with, UK GAAP or any other generally accepted accounting principles and you should not consider it as an alternative to profit for the period or any other performance measures derived in accordance with UK GAAP.

Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, pro forma standalone expenses and one-time information technology and other expenses identified in the table below. In evaluating Adjusted EBITDA, we encourage you to evaluate each adjustment and the reasons we consider it appropriate as a method of supplemental analysis. You should be aware that, as an analytical tool, Adjusted EBITDA is subject to all of the limitations applicable to EBITDA. You should be aware that we may incur expenses similar to the adjustments in this presentation in the future and that certain of these items could be considered recurring in nature. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

Adjusted EBITDA Margin represents Adjusted EBITDA divided by turnover.

Adjusted Post-Securitisation EBITDA represents Adjusted EBITDA as adjusted to exclude any add-back to profit for the period before taxation of interest expense related to the Securitisation Facility. In evaluating Adjusted Post-Securitisation EBITDA, we encourage you to evaluate each adjustment and the reasons we consider it appropriate as a method of supplemental analysis. You should be aware that, as an analytical tool, Adjusted Post-Securitisation EBITDA is subject to all of the limitations applicable to EBITDA and Adjusted EBITDA.

Adjusted Post-Securitisation EBITDA Margin represents Adjusted Post Securitisation EBITDA divided by turnover.

Cash conversion represents EBITDA less capital expenditure as a percentage of EBITDA.

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Use of Non-GAAP Financial Measures (continued)

Other

In addition to EBITDA-based measures, the Group has included other non-U.K. GAAP financial measures in this report, some of which the Group refers to as “key performance indicators”. The Group believes that it is useful to include these non-U.K. GAAP measures as they are used by the Group for internal performance analysis and the presentation by its business divisions of these measures facilitates comparability with other companies in the Group’s industry, although the Group’s measures may not be comparable with similar measurements presented by other companies. These other non-U.K. GAAP measures should not be considered in isolation or construed as a substitute for U.K. GAAP measures in accordance with U.K. GAAP. For a discussion of certain of the Group’s key performance indicators, see “Overview for the Quarter”.

Pro forma net debt (excluding securitisation) represents pro forma total corporate borrowings less cash on the balance sheet excluding SPV cash from the Securitisation Facility (“PCL Cash”).

Pro forma cash interest expense represents cash interest expense excluding interest payable to SPV under the Securitisation Facility and certain associated interest rate hedges. Pro forma cash interest expense (excluding securitisation), has been presented for illustrative purposes only and does not purport to represent what our interest expense would have actually been had the issue of the Notes occurred on the date assumed, nor does it purport to project our interest expenses for any period or our financial condition at any future date.

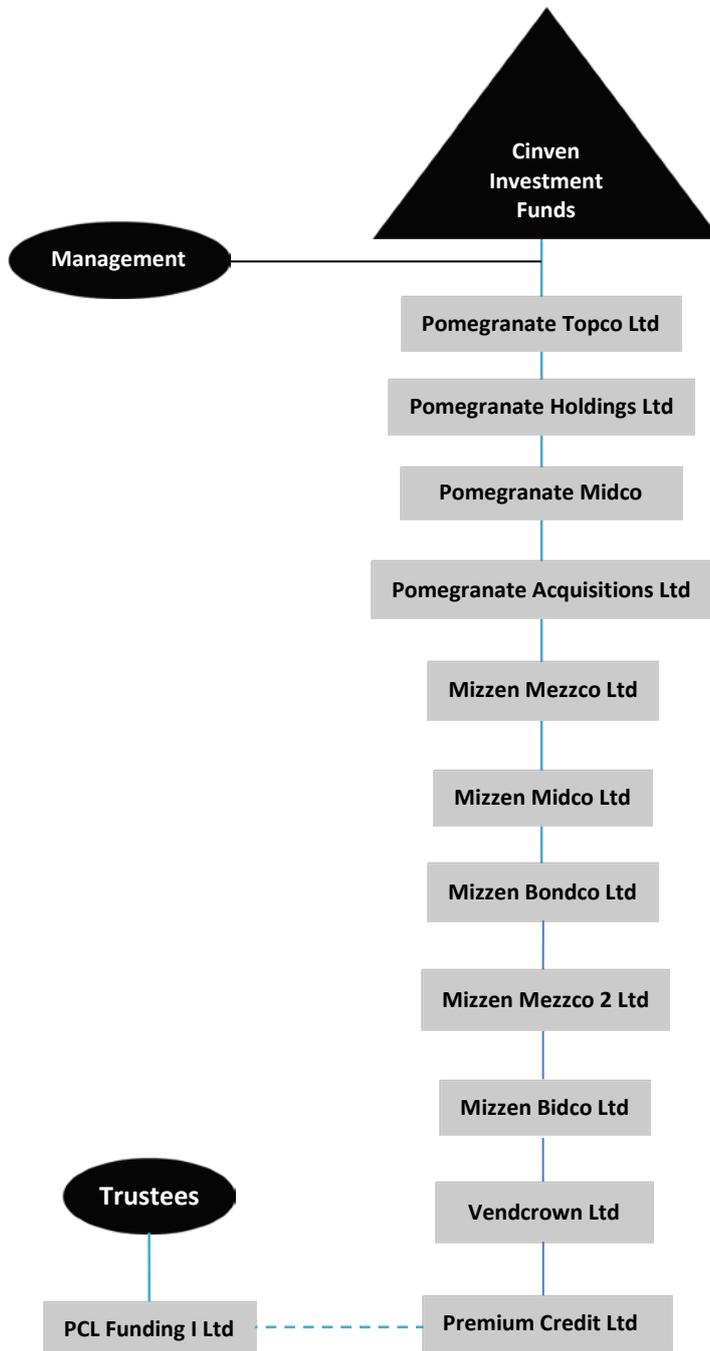
Notice

These quarterly accounts have been prepared at the level of Mizzen Mezzco Limited.

Mizzen Mezzco Limited

Business

The Mizzen Mezzco Group (the "Group") trades as Premium Credit in the UK and Ireland. Premium Credit Limited, the Group's primary operating subsidiary, has been trading since 1988. In February 2015, the Group was acquired by funds affiliated with Cinven Partners LLP, a UK private equity firm. The current group structure following the acquisition is detailed below.



Mizzen Mezzco Limited

Business (continued)

WHAT WE DO

Premium Credit provides instalment finance and payments services via our network of introducers to over 2 million individuals and SME businesses in the UK and Ireland. The network consists of firms who typically charge for their services on an instalment basis such as insurance brokers, membership organisations and leisure facility providers.

We provide advances to our end-customers which they use to pay insurance premiums and other service fees such as school, professional membership, sports and leisure fees. We receive payments on these advances from our end-customers on a monthly basis. Our large size and long operational history allowed us to develop an advanced and scalable information technology system. Our advanced information technology system allows us to provide our intermediaries and other clients with a critical service as 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 3,900 leading brokers, insurers and other intermediaries who sell our financing products to end-customers, and we believe we have strong and resilient relationships with our key intermediaries.

OUR MARKET POSITION

We are a UK leader in the processing and financing of instalment services. We have an unrivalled foothold in the insurance industry, a sector that is characterised by stable and regular annual payments profiles. We believe our competitive advantage lies within our technology offering that integrates seamlessly with our network of introducers.

Our unique selling points include:

- Long term strategic partnerships – our relationship with 12 of our top 15 network partners has spanned more than 10 years;
- Platform technology and network – our information technology platform enables point of sale financing and is fully integrated into the business of our network partners;
- Scale and scalability – our systems process over 28 million direct debit transactions a year on behalf of over 2 million customers;
- Multiple layers of credit protection - our credit loss rate in 2014 averaged 0.16% of our net advances in the year (0.15%: 31 December 2013). These loss rates are significantly lower and less volatile than other forms of consumer finance.

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 receivable for services we deliver.

Mizzen Mezzco Limited

Business (continued)

GROUP STRATEGY

The Group's mission is to be the leading provider of instalment credit in its chosen markets, acting responsibly in our relationships and creating competitive advantage for our network partners. To deliver our mission, we have embedded a number of core values into the business.

These values help our employees to run our business in a sustainable, responsible way, for the benefit of network partners and our mutual customers. To deliver our mission, we have four broad strategic aims:

1. Act responsibly in our relationships with customers ensuring fair outcomes;
2. Deliver high quality returns on capital employed;
3. Generate consistent shareholder returns;
4. Maintain a secure, diverse and stable funding structure.

Act responsibly in our relationships with our network partners and their customers ensuring fair outcomes

Our network partners are at the heart of our business and our financing solution is such that we can only maintain a sustainable business model if the interests of our mutual customers are at the forefront of our business processes. The concepts of customer fairness are deeply embedded in our business and that of our network partners.

We monitor the actions of our network partners via a dedicated team to ensure dealings with our mutual customers are ethical, in compliance with applicable regulatory requirements and of a consistently high standard.

Premium Credit Limited currently has interim permission from the Financial Conduct Authority ("FCA") and our expectation is that we will receive full permission to carry on our regulated consumer credit activities in 2015.

Delivering high quality returns on equity capital employed in non-standard lending markets

Our focus is on providing instalment credit to help individuals and SME's smooth cash flows during the year. We believe this area of the market offers reasonable margins and sustainable returns. Our lending to a wide ranging customer base means that our credit risk is diversified.

Moreover, we have multiple layers of credit protection available to us. These protections arise as our earnings stream derives predominantly from the financing of cancellable and rebate able services. As a result our loss rates are low and show little volatility through the economic cycle (0.16% of net advances in 2014 and 0.15% in 2013).

Generate consistent shareholder returns

We aim to generate sustainable growth in profits and to continue to deliver attractive shareholder returns.

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 introducers systems resulting in low cost credit.

Maintaining a secure, diverse and stable funding structure

Funding is provided from a £1.15 billion securitisation facility, together with a £189.4 million of senior notes. As at 31st March 2015, £844 million (73%) was drawn on the securitisation facility.

Mizzen Mezzco Limited

Management

Board of Directors

Name	Title
Andrew Doman	Director and Chief Executive Officer
Peter Catterall	Director
Maxim Crewe	Director
Anthony Santospirito	Director
Laurel Powers-Freeling	Non-executive Director
John Reeve	Non-executive Director
Chris Burke	Non-executive Director

Set out below is a brief description of the business experience and qualifications of the individuals who serve as members of the Board of Directors of the issuer.

Andrew Doman – Director and Chief Executive Officer

Andrew Doman was appointed Director and Chief Executive Officer of Mizzen Mezzco Limited in October 2012. Previously, Andrew served as Chairman and Chief Executive Officer of Russell Investments, a global investment consultant, from 2009 to 2012 and, prior to this, worked at McKinsey & Co. for over 20 years, where he served as a Director from 1999. Andrew holds a Bachelor of Medicine from the University of Adelaide, a Bachelor of Economics from Ottawa University and an MBA from the University of New South Wales, Australia.

Peter Catterall - Non-executive Director and representative of Cinven Partners LLP

Peter joined Cinven Partners LLP (“Cinven”) in 1997 and is a Partner in the Finance Services and Consumer sector teams. He has been involved in numerous transactions at Cinven, including Partnership Assurance Group plc, Avolon Aerospace Leasing Limited and The Gondola Group Limited.

Maxim Crewe - Non-executive Director and representative of Cinven Partners LLP

Maxim joined Cinven in 2006 and is a member of the Consumer sector team and the UK and Ireland regional team. He has been involved in a number of transactions, including Avolon, Guardian Financial Services, Gala Coral, Partnership and Premium Credit Limited. Previously he worked at Citigroup where he was involved in corporate finance within the European Retail and Consumer Group. Maxim has an MA in Politics, Philosophy and Economics from Oxford University.

Anthony Santospirito - Non-executive Director and representative of Cinven Partners LLP

Anthony joined Cinven in 2011 and is a member of the Business Services sector team and the UK and Ireland regional team. Previously, Anthony was an Associate at Morgan Stanley in the Investment Banking Division, working across a range of sectors including media, mining, financial services, retail and utilities. Anthony graduated from Oxford University with an MA in Mathematics.

Laurel Powers-Freeling - Independent non-executive Director

Ms. Powers-Freeling was appointed independent Director of PCL in 2012. Ms. Powers-Freeling holds several non-executive Directorships including at ACE European Group, a global provider of insurance products based in Zurich, C. Hoare & Co, Fintel plc and Bank of Ireland. Ms. Powers-Freeling is also a former Director of the Bank of England. Ms. Powers-Freeling holds a Bachelor’s Degree cum laude in Economics and Physics from Columbia University and graduated from the MIT Sloan School of Management with a Master’s Degree in Finance and Applied Economics.

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Management (continued)

Board of Directors (continued)

John Reeve - Independent non-executive Director

John Reeve was appointed independent Director of PCL in 2012. Prior to joining the Company, John served as Chairman and Chief Executive Officer of Willis Group Holdings, a multinational risk advisor, insurance brokerage and reinsurance Brokerage Company with its headquarters in London. John completed a five year tenure at Willis Group Holdings from 1995 to 2000, during which a consortium of investors (including six insurance carriers) led by private equity sponsor Kohlberg Kravis Roberts acquired the company in a leveraged buyout. John retired from his executive functions in the year 2000. John is a Chartered Accountant and a Companion of the Chartered Management Institute. John is also Chairman of Temple Bar Investment Trust PLC and was formerly CEO of Sun Life Assurance Society PLC between 1997 and 2005. He was also a Board member of the Association of British Insurers and International Insurance Society Inc.

Chris Burke – Independent non-executive Director

Chris Burke is a former Managing Director of Research in Motion across Europe, Middle East and Africa. Chris has had a distinguished career in telecommunications and technology. From 2001 to 2004 he held the position of Chief Technology Officer at Vodafone UK, responsible for all Vodafone's technology and product architecture. He is currently chairman of MusicQubed and Navmii and holds board positions with Dialog Semiconductor, One Access, Dtex and Fly Victor. Chris graduated from Acadia University with Bachelor's degree in Computer Science.

Key members of senior management

The following individuals form the key members of our senior management:

Name	Title
Andrew Doman	Director and Chief Executive Officer
Simon Moran	Head of Insurance and Chief Marketing Officer
Robert Allan	Chief Financial Officer
Gopinath Chelliah	Chief Operating Officer
Roger Brown	Head of New Markets
Jasan Fitzpatrick	General Counsel

Set out below is a brief description of the business experience and qualifications of other key members of senior management of the Group not already described above:

Simon Moran

Simon Moran joined Premium Credit Ltd in 1998. He currently holds the position of Head of Insurance and Chief Marketing Officer. Prior to that, Mr. Moran held senior positions in Underwriting and Sales, most recently with Transamerica Insurance Finance Company.

Robert Allan

Robert Allan joined Premium Credit Limited in 2004 and currently holds the position of Chief Financial Officer. Prior to that Robert served as European Finance Director with Equifax, a Global consumer credit reporting agency, from 1993 to 2004. He is a graduate of the University of Leeds and is a Fellow of the Institute of Chartered Accountants in England and Wales.

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Management (continued)

Key members of senior management

Gopinath Chelliah

Gopi Chelliah joined Premium Credit Limited in October 2012. He currently holds the position of Chief Operating Officer. Prior to that Gopi served as global Head of Technology and Operations at Russell Investments, a global investment consultancy, from 2010 to 2012 and Chief Operating Officer for the wholesale banking division of ING from 2008 to 2010. He graduated from the University of Surrey and holds a Bachelor in Electronic Engineering and is Chartered Management Accountant.

Roger Brown

Roger Brown joined Premium Credit Limited in January 2013. He holds the position of Head of New Markets. Roger has held senior positions at various companies across the insurance industry, including the position of Divisional Finance Director at Capita's General Insurance Division, Finance Director at Cullum Capital Ventures, and Director at Close Premium Finance. He graduated from UCE in Birmingham and holds a BA in Economics and post graduate qualified as Fellow of the Chartered Institute of Management Accountants (CGMA).

Jasan Fitzpatrick

Jasan Fitzpatrick joined Premium Credit Limited in April 2013. He currently holds the position of General Counsel and Company Secretary. Prior to that Jasan served as Director of Legal and Group Company Secretary at Virgin Money and General Counsel and Company Secretary at Northern Rock. He graduated from Manchester University and holds a Bachelor's Degree in Law.

Executive Committees

The Group's Board has delegated day to day running of the business to the Chief Executive who has established the Executive Committee (ExCo) to assist in the management of the business and deliver against the strategy in an effective and controlled way. The ExCo provides general executive management of the business and facilitates cross functional communication and liaison. The relevant ExCo member is responsible to the Chief Executive for managing performance in line with the Group's long-term plan, the strategy, the annual budget and the risk appetite.

In order to ensure that high level matters which require cross functional oversight and engagement are dealt with appropriately, the ExCo has established a series of subcommittees as detailed below, which report directly to ExCo.

a. Operational Risk and Compliance Committee

The Committee has responsibility for monitoring the management of Operational Risk and Legal and Regulatory risk. This includes monitoring and reviewing all relevant policies and risk assessment procedures, including:

- Reports of Regulatory Developments and any regulatory breaches
- Reports on Compliance Monitoring and actions therefrom
- Reports on Operational Incidents and subsequent actions
- Breaches of the Data Protection and Information Security policies
- Emerging legal developments
- Annual Anti Money Laundering (AML) self-assessment
- Annual Business Continuity testing
- Annual Operational Risk Control Self- Assessment

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Management (continued)

Executive Committees (continued)

b. Asset and Liability Committee

The Asset and Liability Management Committee (“ALCO”) is responsible for implementing, making decisions on, reviewing and monitoring all matters relating to the Financial Risk Management Policy of the Company, incorporating:

- Capital Planning
- Interest Rate Risk
- Foreign Exchange Rate Risk
- Funding
- Liquidity

ALCO will report key recommendations and provide information to the Exco.

c. Credit and Counterparty Risk Committee

The Committee has responsibility for the monitoring of credit and counterparty risk, including monitoring:

- Broker Exposure levels (including S75 liability);
- Borrower affordability and credit worthiness policy and statistics
- Management information that tracks compliance with the:-
 - i. Affordability and Credit Worthiness Policy
 - ii. Credit Policy Manual
 - iii. Producer Commercial Terms Policy
 - iv. Financial Crime Policy

d. Profitability and Pricing Committee

The Committee has responsibility for the monitoring of partner profitability, pricing and new business initiatives. Specific responsibilities of the committee include:

- Receiving proposals and progress reports on new product initiatives
- Monitoring compliance with the
 - i. Producer pricing policy
 - ii. Strategic product approval policy
- Reviewing and monitoring fees and charges

e. Customer Committee

The Committee has responsibility for the monitoring customer metrics to ensure that PCL is meeting its regulatory requirements. Specific responsibilities of the committee include:

- Receiving reports monitoring the management of complaints
- Receiving reports monitoring performance against the FCA’s 6 outcomes for Treating Customers Fairly
- Monitoring compliance with
 - i. Treating Customers Fairly policy
 - ii. Arrears collections and debt recovery policy
 - iii. Vulnerable customers policy
 - iv. Complaints policy

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Management (continued)

Executive Committees (continued)

f. Ireland Committee

The Committee has responsibility for the monitoring the sales, financial and operational performance of PCL Ireland. Specific responsibilities of the committee include:

- Receiving reports monitoring
 - i. Sales volumes and profitability in Ireland
 - ii. Defaults and cancellations
 - iii. Operational risk incidents
 - iv. Management of complaints
 - v. Compliance monitoring reports, including Anti Money Laundering Compliance

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Risk Factors

RISK MANAGEMENT

Risk management approach

The Board has overall responsibility for determining the Group's strategy and related risk. In conjunction with the Executive Committees, the Board determines the type and extent of risks that are acceptable to the Group in achieving the successful delivery of its strategic business objectives. The Board is also responsible for overall corporate governance, which includes ensuring there is a robust and effective system of risk management and the level of capital and liquidity held is adequate and consistent with the risk profile of the business.

To support this, the Group maintains a Risk Management Framework and a formal governance structure to identify, monitor and manage risks across its operations. The Group is exposed to a variety of risks through its day to day operations. The 7 principal risks and how they are managed are set out below.

The Group has a robust risk management framework that is overseen by the Risk Committee on behalf of the Board. The Committee is required to consider the nature and extent of the risks facing the Group, keep them under review, review the framework to mitigate such risks and notify the Board of changes in the status and control of risks. The Risk Committee reviews the risk register quarterly and reports to the Board quarterly.

The Group faces a number of business risks mainly due to external factors detailed below:

- **Credit risk**

The risk that the Group suffers unexpected losses due to default by network partners or our mutual customers. The Group has appropriate credit risk policies in place and credit checks are performed prior to extension of lending facilities.

- **Regulatory risk**

The risk of loss arising from a breach of existing regulation or the imposition of adverse future regulatory changes in the markets within which the Group operates. The Group currently has interim permission from the FCA following the transfer of powers from the OFT. The Group expects to receive full FCA permission in mid-2015.

- **Business risk**

The risk of loss arising from the failure of the Group's strategy or management actions over 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 adversely affect demand for our advances or the products for which we provide advances, which may materially and adversely affect our financial condition and results of operations. We depend on our network of intermediaries to sell advances, and any changes to our relationships with intermediaries could materially adversely affect our business, results of operations and financial condition.

- **Operational risk**

The risk of loss arising from IT systems failure, the loss or abuse of confidential data or systems, the loss of key management or reduction in staff morale impacting business performance. These risks are managed by adhering to an established business model; following a risk management approach and maintaining clear limits and metrics.

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Risk Management (continued)

Risk management approach (continued)

- **Reputational risk**

The risk that an event or circumstance could adversely impact on the Group's reputation, including adverse publicity from the activities of legislators, pressure groups and the media. Our reputation, customer relationships and results of operations may be negatively impacted by the actions of our intermediaries. If our outside 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.

- **Financial risk**

The risk that the group suffers a loss as a result of unexpected tax liabilities or losses on financial instruments. Examinations and challenges by tax authorities, or changes in tax laws or regulations or the application thereof, could materially and adversely affect our reputation, financial condition, financial returns and results of operations. We also use interest rate swaps to adjust interest rate exposures in order to guarantee fixed interest payments where payments are variable and hence exposed to interest rate movements. Whilst we monitor the interest rate environment and employ hedging strategies designed to mitigate the impact of increased interest rates, we cannot assure you that hedging strategies will fully mitigate the impact of changes in interest rates.

- **Liquidity and interest rate risk**

The risk that the Group will have insufficient liquid resources available to fulfil its operational plans and/or meet its financial obligations as they fall due. The Group funds its activities via a securitisation facility which is due to expire on September 25, 2017. The rate of interest paid by the securitisation vehicle is variable. Interest rate swaps are used to hedge this interest rate risk. The Group has a history of extending its lending facilities with banking counterparties. However, there is a remote risk that the Group would not be able to extend banking facilities in an economic crisis.

Risk management framework

The scope of the Risk Management Framework extends to all major risk categories faced by the Group and is underpinned by governance, controls, processes, systems and policies within the second-line risk function and those of the first-line business areas. The key components of the Risk Management Framework are as follows:

Risk governance structure

The Board is the key governance body and is responsible for the overall strategy, performance of the business and ensuring appropriate and effective risk management. It has delegated responsibility for day to day running of the business to the Chief Executive.

The Board has established Board Committees and senior management committees to:

- Oversee the risk management process;
- Identify the key risks facing the Group; and

Assess the effectiveness of the risk management actions.

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Risk Management (continued)

Risk management approach (continued)

The Board

The Board has overall responsibility for the business. It sets the strategic aims for the business, in line with delegated authority from the shareholder and in some circumstances subject to shareholder approval, within a control framework, which is designed to enable risk to be assessed and managed. The Board satisfies itself that financial controls and systems of risk management are robust. In order to support effective governance and management of the wide range of responsibilities, the Board has established the following two risk related sub-committees:

a. Audit Committee

The role of the Audit Committee includes: reviewing and recommending to the Board for approval of financial statements; monitoring accounting policies and practices for compliance with relevant standards; reviewing the scope and results of the annual external audit; maintaining a professional relationship with the external auditors; examining arrangements in place to enable management to ensure compliance with requirements and standards under the regulatory system; and overseeing the internal audit function and the internal audit programme.

Further detail on the Audit Committee is included within the Audit Committee section of the Directors' Report.

b. Risk Committee

The role of the Risk and Compliance Committee includes, the oversight and challenge of the Group's risk appetite and the recommendation to the Board of any changes to risk appetite, the assessment of any future risks, the review and challenge, where appropriate, of the outputs from the Asset and Liability Management Committee (ALCO) and to oversee that a supportive risk culture is appropriately embedded in the business.

Mizzen Mezzco Limited

Management Discussion and Analysis

Principal Activities

We believe we are the leading independent provider of insurance premium and other service fees advances in the UK and Ireland, excluding insurers and independent brokers, where we believe we accounted for a majority of total Net Advances excluding advances made by insurers and independent brokers. For the twelve months ended March 31, 2015, the company had 2.2 million customers and achieved gross advances of £3.8 billion, processing 28.3 million direct debits.

The company's principal objective is to provide the best service to its customers and its partners by providing efficient, profitable and successful business solutions. The company aims to achieve sustainable organic growth through offering new products and utilising new technologies, deepening its intermediary relationships and developing opportunities in new markets.

Our results are largely driven by the size of our advances portfolio, the margin between the interest rate at which we make our advances and our cost of borrowing the funds for our advances, our ability to collect amounts due under the advances we make, and, to a lesser extent, our administrative and overhead costs. Our loss rates have historically been low and generally have not had a material impact on our results. The size of our advances portfolio is primarily driven by our relationships with intermediaries, competition in the insurance premium and service fees market in which we operate, demand for insurance and other services and the availability of funds for the advances.

Highlights for the quarter ended March 31, 2015

The key trading highlights for the Continuing Operations for the quarter ended March 31, 2015 were as follows.

- We have increased the overall size of our net advances by 3.9%, from £757 million for the quarter ended March 31, 2014 to £786 million for the quarter ended March 31, 2015, due to the combination of relationships established with new intermediaries and greater penetration with our existing intermediaries.
- Group turnover increased by £2.7 million, or 9.7%, from £27.9 million for the quarter ended March 31, 2014 to £30.6 million for the quarter ended March 31, 2015. This increase is due to increased net advances of 3.9% and increased cost recovery for specific activities through new fee initiatives.
- Administrative expenses increased by £11.7 million, from £12.6 million (£1.4 million bad debts / £11.2 million other expenses) for the quarter ended March 31, 2014 to £24.2 million (£1.5 million bad debts / £22.7 million other expenses) for the quarter ended March 31, 2015. This increase is primarily driven by change of ownership cost and our investment in growth with emphasis on enhancing our Information Technology infrastructure, Sales Organisation.
- Securitisation funding cost decreased by £1.6 million, or 25.6%, from £6.3 million for the quarter ended March 31, 2014 to £4.7 million for the quarter ended March 31, 2015, as we extended the term of our £1.15 billion securitisation facility at the end of September 2014 to September 2017. As part of this, we took advantage of the favorable capital market environment and reduced the cost of the facility by £7.3 million annually.

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Management Discussion and Analysis (continued)

Key Financial Results

The tables below shows the Group's key consolidated financial results for the quarters ended March 31, 2015 and March 31, 2014:

Non-GAAP Measures

Financial Data	For the quarter	For the quarter	Increase /
	ended March 31, 2015	ended March 31, 2014	(Decrease)
(£ in millions, except percentages and ratios)	(unaudited)	(unaudited)	(unaudited)
Turnover	30.6	27.9	2.7
EBITDA	13.0	16.3	(3.3)
Adjusted EBITDA ^(a)	19.0	17.9	1.1
Adjusted EBITDA Margin ^(a)	62.2%	64.3%	(2.1%)
Adjusted Post-Securitisisation EBITDA ^(b)	14.3	11.6	2.7
Adjusted Post-Securitisisation EBITDA Margin ^(b)	46.9%	41.7%	5.2%
Cash Conversion ^(c)	93.4%	88.6%	4.8%

a. Adjusted EBITDA represents EBITDA as adjusted for certain transaction costs, one-time information technology and other expenses, Adjusted EBITDA margin as a % of Turnover.

b. Adjusted Post-Securitisisation EBITDA adjusted for funding costs; Adjusted Post-Securitisisation EBITDA margin as a % of Turnover.

c. Free Cash Flow represents Adjusted Post-Securitisisation EBITDA – CapEx; Cash conversion as % of Adjusted Post-Securitisisation EBITDA.

The table below shows the Group's key other financial metrics for the quarters ended March 31, 2015 and March 31, 2014:

Key Performance Indicators	For the quarter	For the quarter	Increase /
	ended March 31, 2015	ended March 31, 2014	(Decrease)
(in millions)			
Net Advances ^(a)	£786.4	£757.1	£29.3
Non-cancelled Agreements ^(b)	0.54	0.50	0.04
Number of direct debits processed ^(c)	7.21	6.51	0.70

(a) Represents gross advances net of loans for policies or services that have been cancelled by end customers, or which have been cancelled by the insurance policy or service provider

(b) Consists of loan agreements which are expected to complete to term.

(c) Represents the number of direct debit transactions that we processed during the period.

The table below shows the Group's other pro-forma financial data for the quarters ended March 31, 2015 and March 31, 2014:

	For the quarter	For the quarter	Increase /
	ended March 31, 2015	ended March 31, 2014	(Decrease)
(£ in millions, except percentages and ratios)	(unaudited)	(unaudited)	(unaudited)
Adjusted Post-Securitisisation EBITDA (Last 12 months)	53.7	47.2	6.5
Pro forma net debt ^(a)	154.9	174.3	(19.3)
Pro forma cash interest expense (excluding securitisation)	13.3	14.0	(0.7)
Ratio of pro forma net debt to Adjusted Post-Securitisisation EBITDA	2.9x	3.7x	(0.8x)
Ratio of Adjusted Post-Securitisisation EBITDA to pro forma cash interest expense (excluding securitisation)	4.0x	3.4x	0.6x

a. Q1 2014 Gross debt is pro formaed for May 2014 bond issuance. Pro forma net debt (excluding securitisation) represents pro forma gross debt less Cash & cash equivalents as of the last day of the mentioned period.

Mizzen Mezzco Limited

Management Discussion and Analysis (continued)

The following table reconciles profit for the period to EBITDA to Adjusted EBITDA and to Adjusted Post Securitisation EBITDA for the quarters ended March 31, 2015 and March 31, 2014:

(£ in millions)	For the quarter ended March 31, 2015	For the quarter ended March 31, 2014	Increase/ (Decrease)
	(unaudited)	(unaudited)	(unaudited)
Profit for the period before taxation	(4.1)	5.1	(9.0)
Interest payable and similar charges ^(a)	10.5	10.3	0.2
Depreciation and amortisation.....	0.3	0.1	0.2
Securitisation fees.....	3.8	0.2	3.7
Currency gain / loss.....	1.8	0.0	1.8
Goodwill amortisation.....	0.7	0.7	0.0
EBITDA	13.0	16.3	(3.3)
Transaction costs ^(b)	4.1	0.1	4.0
One-time information technology and other expenses ^(c)	1.9	1.5	0.4
Adjusted EBITDA	19.0	17.9	1.1
Securitisation interest expense ^(d)	(4.7)	(6.3)	(1.6)
Adjusted Post-Securitisation EBITDA	14.3	11.6	2.7

- a. Includes financing costs of £1.2 million with respect to the Securitisation Facility and financing costs of £0.2 million with respect to the Mezzanine Facility for the quarter ended March 31, 2014, whereas quarter ended March 31, 2015 includes £1.4million with respect to the Securitisation Facility and £1.1m with respect to Bond financing cost.
- b. Represents costs relating to the Acquisition, including consultancy, accounting and legal, other advisory fees and Sponsor expenses.
- c. Represents one-time and IT project change costs.
- d. Represents interest expense payable to SPV under the Securitisation Facility and is presented on an actual basis.

Pro Forma Net Debt

Pro forma net debt (excluding securitisation) of £154.9 million represents pro forma total corporate borrowings (Senior Notes) of £189.4 million, less £34.5 million of Cash & Cash equivalents as of March 31, 2015. This shows a decrease of £19.3 million, against £174.3 million as of March 31, 2014 due to higher Cash of £8.6 million and increased liquidity reserve of £0.2 million under the newly extended securitisation facility. On February 27, 2015, £10.6 million of the Senior Notes were redeemed at a premium of 7%.

The pro forma net debt to Adjusted Post-Securitisation EBITDA ratio improved to 2.9x for the twelve months ended March 31, 2015 from 3.7x for the twelve months ended March 31, 2014, due to 14%, or £6.5 million increase in Adjusted Post-Securitisation EBITDA. Also the pro forma net debt has decreased by £19.3 million as explained above.

Pro forma cash interest expense represents cash interest expense excluding interest payable to SPV under the Securitisation Facility and certain associated interest rate hedges. Pro forma cash interest expense for the quarter ended March 31, 2015 was at £3.3 million. The annual cash interest expense is £13.3 million, representing 7% interest on Senior Notes of £189.4 million.

The pro forma cash interest expense to Adjusted Post-Securitisation EBITDA ratio has increased to 4.0x for twelve months ended March 31, 2015 against 3.4x for the twelve months ended March 31, 2014 driven by increased Adjusted Post-Securitisation EBITDA.

Mizzen Mezzco Limited

Consolidated Income Statement

	For the quarter ended March 31, 2015	For the quarter ended March 31, 2014	Increase/ (Decrease)
(£ in millions, except percentages)	(unaudited)	(unaudited)	(unaudited)
Group Turnover	30.6	27.9	2.7
Administrative expenses.....	(24.2)	(12.6)	(11.7)
Group Operating profit	6.4	15.3	(8.9)
Interest receivable and similar income.....	–	–	–
Interest payable and similar charges (a).....	(10.5)	(10.3)	(0.3)
Profit (loss) on ordinary activities before taxation	(4.1)	5.1	(9.2)
Tax on profit on ordinary activities	0.6	(2.1)	2.7
Profit / (loss) for the quarter	(3.5)	3.0	(6.5)

a. Includes amortisation of the securitisation facility fees of £1.4 million for the quarter ended March 31, 2015, and £1.2m for quarter ended March 31, 2014.

Mizzen Mezzco Limited

Consolidated Balance Sheet

(£ in millions)	As at March 31, 2015	As at March 31, 2014	Increase/ (Decrease)
	(unaudited)	(audited)	
Fixed assets			
Intangible assets.....	9.0	9.4	(0.4)
Tangible assets.....	3.3	2.2	1.1
Total fixed assets	12.3	11.6	0.7
Current assets			
Debtors.....	1,357.2	1,288.0	69.2
Cash at bank and in hand.....	40.4	34.6	5.8
Deferred tax.....	0.4	0.4	-
Total current assets	1,398.0	1,447.8	(49.8)
Creditors: amounts falling due within one year...	(895.0)	(864.8)	(30.2)
<i>Of which:</i>			
Trade creditors.....	(429.5)	(409.2)	(20.3)
Securitisation notes.....	(439.2)	(384.4)	(54.8)
Amounts owed to group undertakings.....	(9.3)	(59.7)	50.4
Corporation Tax.....	0.5	(3.9)	4.4
Other taxation and other social security.....	(3.1)	(0.6)	(2.5)
Other creditors.....	(0.5)	(0.7)	0.2
Accruals and deferred income.....	(14.1)	(6.3)	(7.8)
Creditors: amounts falling due after more than one year	(580.8)	(441.0)	(139.8)
<i>Of which:</i>			
Mezzanine finance.....	-	(41.0)	41.0
Securitisation notes.....	(400.0)	(400.0)	-
Senior notes.....	(180.8)	-	(180.8)
Total assets less total liabilities	(65.5)	(29.0)	(94.5)
Capital & Reserves			
Share capital.....	(32.9)	(32.9)	-
Profit & loss.....	98.4	3.9	94.5
Total Shareholders' Funds	65.5	29.0	94.5

Intangible Assets

Intangible assets consist of i) Goodwill at a net cost of £6.8 million as at March 31, 2015 and £9.4 million as at March 31, 2014. Goodwill of £13.2 million arose on the acquisition of PCL by GTCR in October 2012 and is being amortised over five years starting from November 2012; and ii) Capitalised software costs of £2.2m relating to various change projects in the quarter and previous year where we have internally generated software. Projects include Channel Experience, Payments Platform and MyCommute4Less.

Mizzen Mezzco Limited

Consolidated Balance Sheet (continued)

Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. All tangible fixed assets are depreciated on a straight-line basis by reference to their estimated useful life. Leasehold improvements are written off over the period of the lease. Tangible assets were at a net cost of £2.2 million as at the March 31, 2014, and increased to £3.3 million as at March 31, 2015. The increase of £1.1 million is driven by non-recurring upgrades and investments to our existing information technology infrastructure platform.

Debtors

Debtors consist of trade debtors after deduction of provision for irrecoverable debts, unearned income and adding back prepayments. Debtor balance as of March 31, 2014 was at £1,288.0 million (Trade debtors £1,282.3 million/Loan Loss (£3.3 million) /Prepayments £9.0m) which has increased by £69.2 million to £1,357.2 million (Trade debtors £1,352.4 million/Loan Loss (£3.2 million) /Prepayments £8.0 million) as of March 31, 2015. This increase is mainly related to higher trade debtors.

Cash at Bank and in Hand

Cash at bank and in hand of £40.4 million represents SPV cash from the Securitisation Facility of £13.4 million (which includes £4.1 million of pre-funding, £1.9 million of other servicing fees/interest, £7.4 million of liquidity reserve) and remaining cash of £27.0 million as at March 31, 2015, against £34.6 million as at March 31, 2014 represented by SPV cash of £16.2 million (which includes £8.1 million of prefunding, £0.8 million of other servicing fees/interest, £7.3 million of liquidity reserve) and remaining cash of £18.4 million.

Deferred Tax

Deferred Tax was £0.4 million as March 31, 2014 and 2015. 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.

Trade Creditors

Trade Creditors of £409.2 million as of March 31, 2014 increased by £20.3 million to £429.5 million as of March 31, 2015. This increase is mainly due to volumes and business mix.

Securitisation Notes

Securitisation notes relate to external variable rate funding provided to the group through a Special Purpose Vehicle, PCL Funding I Limited. The SPV has a Sterling denominated Variable Note Issuance Programme in place. The notes are repaid or issued as the underlying assets decrease or increase. The note holders receive interest and receive or pay principal on a weekly basis. The variable drawdown amount on the Securitisation facility was at £439.2 million as at March 31, 2015, against £384.4 million as at March 31, 2014. The upward movement of £54.8 million primarily relates to the movements in the underlying assets.

Mizzen Mezzco Limited

Consolidated Balance Sheet (continued)

Amount owed to group undertakings

The amounts owed to group undertakings as at March 31, 2015 represent the outstanding interest of £9.3 million due to Mizzen Topco S.C.A, the immediate parent company. The decrease of £50.4 million against the balance of £59.7 million as of March 31, 2014 is due to the repayment of the intercompany loan principal during May 2014, leaving only the interest outstanding.

Corporation Tax

Corporation tax of £3.9 million as of March 31 2014 has reduced by £4.5 million to balance of (£0.6) million as of March 31, 2015. The tax computations have been drafted and the liability is after payments on account made in the year.

Other taxation and other social security

Other taxation and other social security consist of other taxes payable mainly including payroll related taxes, and increased from £0.5 million to £3.1 million. This increase is due to higher payroll tax.

Other Creditors

Other creditors as of March 31, 2015 were £0.5 million, against £0.7 million as at March 31, 2014. Other creditors consist of other accounts payable and other current liabilities.

Accruals and deferred income

Accruals and deferred income balance as of March 31, 2014 was £6.3 million, which increased by £7.8 million to £14.1 million as of March 31, 2015. This includes an interest accrual on the £189.4 million Senior Notes of £5.5 million plus additional overhead accruals of £2.3 million related to ongoing consultancy work.

Creditors: amounts falling due after more than one year

Creditors falling due after more than one year consist of Securitisation Notes of £400 million and new Senior Notes for £189.4 million as at March 31, 2014 which are stated as £180.8.0 million after netting the unamortised bond set up costs of £8.6 million. The Securitisation notes relate to external funding provided to the group through a Special Purpose Vehicle, PCL Funding I Limited. The SPV has a Sterling denominated term note which is fixed for three years up to 25th September 2017. The Mezzanine Finance Loan of £42.4 million (stated at £41.0 million at March 31, 2014 after netting unamortised set up costs of £1.4 million) was repaid during May 2014.

Mizzen Mezzco Limited

Consolidated Cash Flow Statement

(£ in millions)	For the quarter ended	For the quarter ended	Increase/
	March 31, 2015	March 31, 2014	(Decrease)
	(unaudited)	(unaudited)	(unaudited)
Net cash inflow/ (outflow) from operating activities.....	77.3	83.4	(6.1)
Net cash inflow/ (outflow) from returns on investments and servicing of finance.....	(16.7)	(9.9)	(6.8)
Taxation.....	-	(0.4)	0.4
Net cash inflow/ (outflow) for capital expenditure and financial investment.....	(0.9)	(1.3)	0.4
Acquisitions and disposals.....	-	-	-
Net cash inflow/ (outflow) before use of liquid resources and financing.....	59.7	71.8	(12.1)
Net cash inflow/ (outflow) from management of liquid resources.....	-	-	-
Net cash inflow/ (outflow) from financing activities.....	(74.4)	(78.5)	4.1
Effects of foreign exchange.....	(2.0)	0.5	(2.5)
(Decrease)/Increase in cash.....	(16.7)	(6.1)	(10.6)

Cash inflow/(outflow) from operating activities

Cash inflow from operating activities for the quarter ended March 31, 2015 decreased by £6.1 million, from £83.4 million inflow for the quarter ended March 31, 2014 to £77.3 million for the quarter ended March 31, 2015, primarily as a result of seasonal change in the loan book.

Cash inflow/(outflow) from returns on investments and servicing of finance

Cash outflow from returns on investments and servicing of finance for the quarter ended March 31, 2015 was at £16.7 million, which is £6.8 million higher than the quarter ended March 31, 2014, which included the payment of a dividend of £11.6 million, offset by the timing of interest payments of £4.8 million.

Taxation

Cash outflow from taxation for the quarter ended 31 March 2015 reduced by £0.4 million due to no payments being made yet in 2015.

Cash inflow/(outflow) for capital expenditure and financial investment

Cash outflow for capital expenditure and financial investment for the quarter ended March 31, 2015 was at £0.9 million against £1.3 million for the quarter ended March 31, 2014.

Cash inflow/(outflow) from financing activities

Cash inflow/(outflow) from financing activities decreased by £4.1 million, from the outflow of £78.5 million for the quarter ended March 31, 2014 to £74.4 million for the quarter ended March 31, 2015.

Mizzen Mezzco Limited

Description of Certain Financing Arrangements

1. Securitisation Facility

PCL entered into a series of agreements on October 31, 2012 (the “Securitisation Closing Date”), as amended from time to time thereafter, to establish a securitisation facility (the “Securitisation Facility”) backed by amounts owing to PCL by its customers (“Receivables”) in respect of certain of its insurance premium and service fee payment products.

General overview

Pursuant to the Securitisation Facility, certain Receivables and any related rights (the “Securitized Assets”) are sold and assigned to SPV, a special purpose vehicle established for the purposes of the Securitisation Facility.

The SPV funds its purchase of the Securitized Assets with the proceeds from the issuance of Term Notes and VFNs (together, the “Securitisation Notes”) to certain bank lenders (the “Securitisation Note Purchasers”) pursuant to a note purchase agreement. Following an amendment in November 2013, the Securitisation Facility (if fully drawn) has an aggregate limit of £1.15 billion consisting of Term Notes with outstanding note balance of £400 million and VFNs have a note balance of £750 million. The final legal maturity date of the Securitisation Notes falls in September 2017. As security for the payment of its obligations in respect of the Securitisation Notes, the SPV has granted security over all of its assets including all of its rights in the Securitized Assets and the SPV Accounts (as defined below).

PCL (acting in its capacity as the “Servicer”) provides certain collection, administration and reporting services in relation to the Securitized Assets and certain cash management and bank account operation services.

The cash flows generated by the Securitized Assets (the “Collections”) are initially collected in bank accounts held by PCL (the “Collection Accounts”) and, on a daily basis, the amounts standing to the credit of the Collection Accounts are transferred into accounts held by the SPV (the “SPV Accounts” and together with the Collection Accounts, the “Note Facility Accounts”). On a weekly basis, the SPV (or the Servicer on its behalf) then applies the amounts standing to the credit of the SPV Accounts pursuant to a priority of payments waterfall, to pay or provide for the payment of any interest, principal, fees and other amounts that are due and payable on such date with any surplus Collections being repaid to PCL as deferred purchase price.

The SPV has no business operations or significant assets or sources of income other than the cash flows of the Securitisation Facility and as such the ability of the SPV to make any payments to the holders of the Securitisation Notes will be dependent upon payments the SPV receives from the Securitized Assets.

2. Senior Notes

The issuer of the 7% Senior Notes is the group company Mizzen Bondco Ltd, an exempted company incorporated with limited liability under the laws of the Cayman Islands. 7% Senior Notes totalling £200 million in aggregate were issued on 8th May 2014 (the “Notes”), with a maturity date of 1st May 2021. On February 27, 2015, £10.6 million of the Senior Notes were redeemed at a premium of 7%.

The Notes are fully and unconditionally guaranteed on a senior basis by the Parent Guarantor and the Subsidiary Guarantor.

Mizzen Mezzco Limited

Consolidated Financial Statements

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Mizzen Mezzco Limited

Mizzen Mezzco Limited

Quarterly Report and Financial Statements

Quarter ended March 31, 2015

Registered number - 08179245

Mizzen Mezzco Limited

Consolidated profit and loss account

	Note	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Group turnover		30,375	27,819
Administrative expenses		(25,357)	(13,681)
Group operating profit		5,018	14,138
Interest receivable and similar income		-	-
Interest payable and similar charges	2	(9,163)	(9,068)
Profit on ordinary activities before taxation		(4,145)	5,070
Tax on profit on ordinary activities		649	(2,085)
Profit/(loss) for the financial year		(3,496)	2,985

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

Results relate to continuing operations.

Consolidated statement of group total recognised gains and losses

	Note	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Profit/(loss) for the financial year		(3,496)	2,985
Foreign currency translation difference		(1,995)	(454)
Total recognised gains and losses for the financial year		(5,491)	2,531

Mizzen Mezzco Limited

Consolidated balance sheet

	Note	31 March 2015 (unaudited)		31 March 2014 (unaudited)	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	3		9,048		9,430
Tangible assets	4		3,303		2,227
			<u>12,351</u>		<u>11,657</u>
Current assets					
Debtors	5	1,357,583		1,288,475	
Cash at bank and in hand		<u>40,416</u>		<u>34,617</u>	
		1,397,999		1,323,092	
Creditors: amounts falling due within one year	6	<u>(895,037)</u>		<u>(864,969)</u>	
Net current assets			502,962		458,123
Total assets less current liabilities			<u>515,314</u>		<u>469,980</u>
Creditors: amounts falling due after more than one year	7		<u>(580,793)</u>		<u>(440,800)</u>
Net (liabilities)/ assets			<u>(65,479)</u>		<u>28,980</u>
Capital and reserves					
Called up share capital			32,921		32,921
Profit and loss account			<u>(98,400)</u>		<u>(3,941)</u>
Total shareholders' (deficit)/funds	8		<u>(65,479)</u>		<u>28,980</u>

The notes on pages 32 to 37 form part of these financial statements.

Mizzen Mezzco Limited

Consolidated cashflow statement

	Note	31 March 2015 (unaudited) £'000	31 March 2014 (unaudited) £'000
Net cash inflow from operating activities	9	77,263	83,444
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		(5,131)	(9,920)
Equity dividends paid to shareholders		(11,581)	-
Net cash outflow from returns on investments and servicing of finance		(16,712)	(9,920)
Taxation		2	(378)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(237)	(1,323)
Expenditure to acquire intangible assets		(668)	-
Net cash outflow for capital expenditure and financial investment		(905)	(1,323)
Management of liquid resources		-	-
Net cash inflow from management of liquid resources		-	-
Financing			
Issue of ordinary share capital		-	-
Increase in borrowings		11,581	-
Repayments		(86,003)	(78,473)
Net cash inflow from financing		(74,422)	(78,473)
Effects of foreign exchange		(1,995)	516
Increase in cash		(16,769)	(6,134)
Reconciliation to net debt			
Net debt as at 1 January		(1,058,033)	(923,251)
Increase in net cash		(16,769)	(6,134)
Movement in borrowings		86,003	78,473
Net debt at 31 March	10	(988,799)	(850,912)

Mizzen Mezzco Limited

Notes forming part of the unaudited quarterly report and financial statements

1 Accounting policies

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

Basis of preparation

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

Going concern

The directors have assessed the ability of the group to operate as a going concern based on the conclusions drawn with respect to financial, interest rate, credit, liquidity, foreign exchange, regulatory, compliance and operational risks and ability to generate future earnings, as outlined in the strategic report. As such, these financial statements have been prepared on the going concern basis.

Basis of consolidation

The financial information of the group incorporates the assets, liabilities and results of Mizzen Mezzco Limited and its subsidiary undertakings. The financial statements of subsidiaries have the same year end as the parent company, and have been prepared using accounting policies which are uniform across the group and any profits or losses on intra group transactions have been eliminated. The group has a Special Purpose Vehicle, PCL Funding I Limited, which is used to provide funding to the group. The assets, liabilities and results of PCL Funding I Limited are also incorporated as part of the Mizzen Mezzco group.

Turnover and revenue recognition

Turnover represents finance charge income earned during the year net of commissions and other incentives payable. Turnover was predominantly derived from activities in the European Union. The whole of the finance income of each finance agreement is recognised over the period of the underlying agreement using the sum of digits methodology. Income is deferred by reference to the number of days remaining outstanding on each agreement at the balance sheet date.

Interest receivable and payable

Interest receivable and payable is recognised in the profit and loss account on an accruals basis. Interest receivable represents amounts due from Mizzen Midco Limited on intercompany loans and from interest on bank balances. Interest expense is the amount due to Mizzen Topco S.C.A on intercompany loans. The interest costs incurred have been charged to the profit and loss account on an accruals basis.

Bad and doubtful debts

The group maintains a provision for bad and doubtful debts at an amount sufficient to absorb losses inherent in the group's loans and advances to customers, based on a projection of net credit losses. The provision is calculated based upon the projected incurred losses from the extant book over the next 12 months. The model uses historic performance in three key areas to project future losses. These are defaults, write offs and recoveries.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed annually by the directors or where there has been an indication of potential impairment.

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation and any provision for impairment in value. Cost includes the original purchase price of the intangible asset and the costs attributable to bringing the intangible asset to its working condition for its intended use. Impairment reviews are conducted to ensure the recoverability of the carrying amount of the intangible assets. Intangible fixed assets are amortised on a straight line basis over the anticipated life of the underlying asset or rights acquired, presently 3-5 years.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recovered. All tangible fixed assets are depreciated on a straight-line basis by reference to their estimated useful life. This is a period of 3 to 5 years for vehicles and other equipment. Leasehold improvements are written off over the period of the lease.

Mizzen Mezzco Limited

Notes forming part of the unaudited quarterly report and financial statements (*continued*)

1 Accounting policies (*continued*)

Pension costs

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

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:

- i) 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
- ii) 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.

Foreign currency

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 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 profit and loss account.

The balance sheets for foreign operations are consolidated at the rate of exchange ruling at the balance sheet date. The profit and loss 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.

Operating leases

Operating lease costs are charged to the profit and loss account on a straight-line basis over the lease term.

Cash at bank

There are three elements within cash balances consisting of pre-funding cash, encumbered cash and free cash. Pre-funding cash in SPV is only available for the purposes of funding new assets. Encumbered cash of £10 million is included in SPV and PCL Limited cash balances to reduce the credit risk of loan note holders. Free cash is used for any other funding requirements, such as for the purposes of group companies. Cash at bank is held within Sterling bank accounts in SPV and Sterling, Euro, US dollar bank accounts in PCL.

2 Interest payable and similar charges

	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Interest payable to group undertakings	-	1,236
Interest payable to securitising banks	5,210	5,731
Interest payable on interest rate hedge	577	594
Interest payable on Mezzanine Finance	-	1,507
Interest payable on corporate bond	3,376	-
	<hr/> 9,163 <hr/>	<hr/> 9,068 <hr/>

Mizzen Mezzco Limited

Notes forming part of the unaudited quarterly report and financial statements (*continued*)

3 Intangible assets

	Goodwill	Assets under construction	Software licences	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2015	13,158	2,025	1,164	16,347
Additions	-	237	-	-
At 31 March 2015	13,158	2,262	1,164	16,571
Accumulated amortisation				
At 1 January 2015	5,702	12	1,164	6,878
Amortised in period	658	-	-	658
At 31 March 2015	6,360	12	1,164	7,536
Net book value at 31 March 2015	6,798	2,250	-	9,048
Net book value at 31 December 2014	7,456	2,013	-	9,469
	Goodwill	Assets under construction	Software licences	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2014	13,158	-	1,164	14,322
Additions	-	-	-	-
At 31 March 2014	13,158	-	1,164	14,322
Accumulated amortisation				
At 1 January 2014	3,070	-	1,164	4,234
Amortised in period	658	-	-	658
At 31 March 2014	3,728	-	1,164	4,892
Net book value at 31 March 2014	9,430	-	-	9,430
Net book value at 31 December 2013	10,088	-	-	10,088

Assets under construction relate to internally developed software. The directors do not consider there to be any evidence of impairment of the assets.

Mizzen Mezzco Limited

Notes forming part of the unaudited quarterly report and financial statements (*continued*)

4 Tangible assets

	Vehicles and other equipment	Leasehold improvements	Total
	£'000	£'000	£'000
Cost			
At 1 January 2015	9,412	1,830	11,242
Additions	668	-	668
Disposals	-	-	-
Exchange difference	-	-	-
At 31 March 2015	10,080	1,830	11,910
Accumulated depreciation			
At 1 January 2015	6,538	1,737	8,275
Charged in period	302	30	332
Disposals	-	-	-
Exchange difference	-	-	-
At 31 March 2015	6,840	1,767	8,607
Net book value at 31 March 2015	3,240	63	3,303
Net book value at 31 December 2014	2,874	93	2,967

	Vehicles and other equipment	Leasehold improvements	Total
	£'000	£'000	£'000
Cost			
At 1 January 2014	6,714	1,830	8,544
Additions	1,323	-	1,323
Disposals	-	-	-
Exchange difference	-	-	-
At 31 March 2014	8,037	1,830	9,867
Accumulated depreciation			
At 1 January 2014	5,848	1,644	7,492
Charged in period	122	26	148
Disposals	-	-	-
Exchange difference	-	-	-
At 31 March 2014	5,970	1,670	7,640
Net book value at 31 March 2014	2,067	160	2,227
Net book value at 31 December 2013	866	186	1,052

Mizzen Mezzco Limited

Notes forming part of the unaudited quarterly report and financial statements (*continued*)

5 Debtors

	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Loans and advances to customers	1,349,239	1,279,001
Amounts owed from group undertakings	-	-
Other debtors	987	774
Deferred tax asset (see note 10)	353	435
Prepayments and accrued income	7,003	8,265
	1,357,582	1,288,475

The amounts owed by group undertakings relate to a balance owed by Mizzen Midco Limited, the subsidiary company.

6 Creditors: amounts falling due within one year

	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Trade creditors	429,523	409,193
Securitisation notes	439,193	384,628
Amounts owed to group undertakings	9,258	59,681
Corporation tax	(553)	3,860
Other taxation and other social security	3,051	558
Other creditors	463	711
Accruals and deferred income	14,103	6,339
	895,038	864,970

Securitisation notes relate to external variable rate funding provided to the group through a Special Purpose Vehicle, PCL Funding I Limited. The SPV has a Sterling denominated Variable Note Issuance Programme in place. The notes are repaid or issued as the underlying assets decrease or increase. The note holders receive interest and receive or pay principal on a weekly basis. The amounts owed to group undertakings relate to a balance owed to Mizzen Topco S.C.A, the immediate parent company.

7 Creditors: amounts falling due after more than one year

	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Mezzanine finance loan	-	40,800
Corporate bond	180,792	-
Securitisation notes	400,000	400,000
	580,792	440,800

Securitisation notes relate to external funding provided to the group through a Special Purpose Vehicle, PCL Funding I Limited. The SPV has a Sterling denominated term note which is fixed for three years up to 25 September 2017.

As part of the refinancing of the group a secured corporate bond was issued by Mizzen Bondco Limited, a group subsidiary. The bond principal of £200 million is stated after issuance costs of £9 million. The bond carries a fixed rate of interest of 7 percent and matures 1 May 2021.

Mizzen Mezzco Limited

Notes forming part of the unaudited quarterly report and financial statements (*continued*)

8 Reconciliation of the movements in shareholders' funds

	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Opening shareholders' funds at 1 January	(59,989)	25,541
Profit/(loss) for the financial period	(3,496)	2,985
Foreign currency translation movement	(1,995)	454
Dividend paid	(11,581)	-
Capital contribution	11,581	-
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds at 31 March	(65,480)	28,980

9 Reconciliation of operating profit to net cash flow from operating activities

Group	Quarter Ended 31 March 2015 (unaudited) £'000	Quarter ended 31 March 2014 (unaudited) £'000
Group Operating profit	5,018	15,159
Depreciation charge	332	148
Amortisation charge	658	658
Increase in debtors	33,034	25,613
Increase in creditors	38,221	41,866
	<hr/>	<hr/>
Net cash inflow from continuing operations	77,263	83,444

10 Analysis of net debt

Group	As at 1 January 2015 £'000	Cash flow £'000	Exchange movements £'000	As at 31 March 2015 £'000
Cash in hand and at bank	57,185	(16,769)	-	40,416
Debt due after more than one year	(591,044)	10,252	-	(580,792)
Debt due within one year	(524,174)	75,751	-	(448,423)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,058,033)	69,234	-	(988,799)
	<hr/>	<hr/>	<hr/>	<hr/>
Group	As at 1 January 2014 £'000	Cash flow £'000	Exchange movements £'000	As at 31 March 2014 £'000
Cash in hand and at bank	41,857	(6,134)	-	35,723
Debt due after more than one year	(440,800)	(200)	-	(441,000)
Debt due within one year	(524,308)	78,673	-	(445,635)
	<hr/>	<hr/>	<hr/>	<hr/>
	(923,251)	72,339	-	(850,912)