Registered Number 00283556

T M Sutton Limited

Report and Financial Statements

30 June 2011

Directors
R A Bryan
P Fileccia
R Hibberd
J Tannahill
R Underwood
J A Weiss

Secretary
C D Walton

Auditors
Ernst & Young LLP
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London SE1 2AF

Bankers
The Royal Bank of Scotland
Corporate Banking
East Midlands
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Solicitors
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Directors' report

The directors present their report and financial statements for the year ended 30 June 2011 The comparative period relates to 15 months ended 30 June 2010

Results and dividends

The profit for the year, after taxation, amounted to £1,289,000 (15 months ended 30 June 2010 – profit of £741,000) The directors do not recommend the payment of a dividend (15 months ended 30 June 2010 – £nil)

Principal activities, review of the business and going concern

The principal activities of the company continued to be that of pawnbrokers, retail jewellers and silversmiths The business for the year was satisfactory, the directors are confident that the company continues to be a going concern and improvements in profits generated will be achieved in future financial years with the continued significant investment power of the new parent company

Directors

The directors who served the company during the year and up to the date of this report were as follows

R A Bryan	
S Corepal	(resigned 3 November 2010)
P Filecccia	
R Hibberd	
S D Piccini	(resigned 30 June 2011)
J Tannahill	(appointed 3 November 2010)
R Underwood	
J A Weiss	(Chairman)

Insurance

The company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of their appointment

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

P Filecccia
Director

17 November 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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) 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 those 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

Independent auditors' report

to the members of T M Sutton Limited

We have audited the financial statements of T M Sutton Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report

to the members of T M Sutton Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Peter Wallace (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

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Profit and loss account

for the year ended 30 June 2011

	Notes	Year ended 30 June 2011 £000	15 months ended 30 June 2010 £000
Turnover	2	5,396	5,445
Cost of sales		(1,613)	(1,592)
Gross profit		3,783	3,853
Administrative expenses		(1,805)	(2,206)
Exceptional item – bad debts	4	–	(422)
Operating profit	3	1,978	1,225
Interest receivable and similar income		1	1
Interest payable – bank interest		(186)	(165)
Profit on ordinary activities before taxation		1,793	1,061
Tax	7	(504)	(320)
Profit for the financial year	18	1,289	741

All amounts relate to continuing operations

Statement of total recognised gains and losses

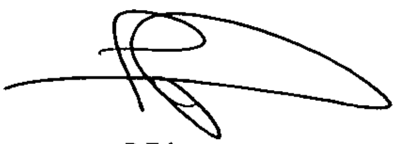
for the year ended 30 June 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £1,289,000 in the year ended 30 June 2011 (15 months ended 30 June 2010 – profit of £741,000)

Balance sheet
at 30 June 2011

	Notes	*2011* *£000*	*2010* *£000* *As restated* *Note 1*
Fixed assets			
Intangible assets	8	179	195
Tangible assets	9	608	191
Investments	10	–	–
		787	386
Current assets			
Stocks	11	8,023	7,357
Debtors	12	2,705	1,488
Cash at bank and in hand		833	1,356
		11,561	10,201
Creditors: amounts falling due within one year	13	(2,135)	(1,549)
Net current assets		9,426	8,652
Total assets less current liabilities		10,213	9,038
Creditors amounts falling due after more than one year	14	(5,322)	(5,447)
Provisions for liabilities	16	(16)	(5)
Net assets		4,875	3,586
Capital and reserves			
Called up share capital	17	70	70
Profit and loss account	18	4,805	3,516
Shareholders' funds	18	4,875	3,586

These financial statements were approved and authorised for issue by the Board of Directors on the date shown below and were signed on its behalf by



P Fileccia
Director

17 November 2011

Notes to the financial statements

at 30 June 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

The balance sheet has been restated to bring the company in line with other group member's classifications Pawn broking pledged items are now included within stock, these items are analysed as stock held as security rather than as a trade debtor It is believed that this classification more accurately reflects the substance of the transaction and the asset held The amount restated from trade debtors to stock held as security as at 30 June 2011 is £7,183,000, (2010 restated £6,713,000)

Bank loans have been restated to correctly classify the amounts due as greater than one year based on the settlement date as per the loan agreements The amount restated from creditors less than one year to creditors greater than one year as at 30 June 2011 is £5,322,000, (2010 restated £5,322,000)

Group financial statements

The financial statements contain information about T M Sutton Limited as an individual company and do not contain group financial information as the parent of a group The company is exempt from the requirement to prepare group financial statements for its group under section 401 of the Companies Act 2006, where its parent entity is not established under the law of an EEA state, on the grounds that

- the company and all of its subsidiaries are included in the group financial statements of DFC Global Corp drawn up to 30 June 2011, and

- that the group financial statements of DFC Global Corp are drawn up in a manner equivalent to group financial statements drawn up in accordance with the provisions of the Seventh Directive

Statement of cash flows

The company is exempt from the requirements of FRS1 (revised) and therefore has not prepared a statement of cash flows Its results are included within the group financial statements of its ultimate parent company, DFC Global Corp , and these financial statements are publicly available

Revenue recognition

Interest receivable on secured and unsecured loans is recognised on an accruals basis over the life of the loan

Revenue from retail jewellery sales, both of purchased stock and from the sale of pledge security from unredeemed pawn loans, is recognised at the time of the sale

Intangible assets – goodwill

Goodwill is calculated as the difference between the cost of an acquisition of trade and assets and the aggregate of the fair value of its identifiable assets and liabilities

Positive goodwill is capitalised, classed as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a maximum of 20 years, in line with guidance given in FRS 10 'Goodwill and Intangible Assets'

Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Notes to the financial statements

at 30 June 2011

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value in line with SSAP9

The cost of stocks held as security is the pledge loan value The interest revenue due on pledged items is held within trade debtors

A provision is made against the value of goods held as security for any difference between cost plus interest and the net realisable value of the stock item if it were not redeemed

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation of fixed assets, except work in progress (WIP) is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows

Leasehold property improvements	10% to 20% per annum straight line basis
Computer equipment	33% per annum straight line basis
Fixtures and fittings	20% per annum straight line basis

Items within work in progress are assets not brought into use in the business Upon bringing into use depreciated in calculated as per the asset category the item relates to The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Taxation

The charge for taxation is based on the result for the year and takes into consideration timing differences arising as a result of different treatments of certain items for taxation and accounting purposes

Deferred taxation

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, with the following exceptions

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

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable 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

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

Notes to the financial statements

at 30 June 2011

2. Turnover

Turnover is attributable to the principal activity of the company and arises solely within the United Kingdom

3. Operating profit

This is stated after charging

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Depreciation of owned fixed assets	39	41
Amortisation of goodwill	16	21
Operating lease rentals – land and buildings	352	374

Audit fees have been borne by the company's ultimate parent company in 2010 and 2011

4. Exceptional item

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Bad debt – provision for irrecoverable pledge loans and interest	–	422

5. Directors' remuneration

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Aggregate remuneration	108	160
Value of company pension contributions to money purchase schemes	2	5

	Year ended 30 June 2011 No	*15 months ended 30 June 2010 No*
Members of money purchase pension schemes	1	2

Notes to the financial statements

at 30 June 2011

5. Directors' remuneration (continued)

The directors of the company are also directors of a number of other companies in the Dollar Financial Corp group The directors received total remuneration for the year of £108,000 from T M Sutton Limited all of which relate to their qualifying services to this company Certain directors of T M Sutton Limited are remunerated by other group companies, of this remuneration they estimate that £78,000 relates to their qualifying services in T M Sutton Limited

6. Staff costs

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Wages and salaries	665	623
Social security costs	61	66
Other pension costs	15	17
	741	706

The monthly average number of employees, including directors, during the year was as follows

	Year ended 30 June 2011 No	*15 months ended 30 June 2010 No*
Administration	–	1
Sales	16	14
	16	15

Notes to the financial statements
at 30 June 2011

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Current tax		
UK corporation tax on the profit for the year	502	335
Adjustment in respect of previous periods	(9)	(19)
Total current tax (note 7(b))	493	316
Deferred tax		
Origination and reversal of timing differences	11	4
Total deferred tax (note 7(c))	11	4
Tax on profit on ordinary activities	504	320

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

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 27 5% (15 months ended 30 June 2010 – 28%) The differences are explained below

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Profit on ordinary activities before tax	1,793	1,061
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27 5% (15 months ended 30 June 2010 – 28%)	493	297
Effects of		
Expenses not deductible for tax	21	42
Capital allowances in excess of depreciation	(12)	(7)
Short term timing differences	–	3
Adjustments in respect of previous years	(9)	(19)
Current tax for the year (note 7(a))	493	316

Notes to the financial statements

at 30 June 2011

7. Tax (continued)

(c) Deferred tax

The deferred taxation liability is as follows

	Year ended 30 June 2011 £000	*15 months ended 30 June 2010 £000*
Accelerated capital allowances	19	8
Short term timing differences	(3)	(3)
Total deferred tax (note 16)	16	5

Movements on the deferred taxation liability are as follows

	£000
At 1 July 2010	5
Charged to the profit and loss account (note 7(a))	11
At 30 June 2011	16

(d) Factors affecting future tax charges

Deferred tax has been provided for at 26%, the tax rate applicable from 1 April 2011 as enacted at 2 April 2011

The 2011 budget statement revised the previously announced phased reduction in the main UK corporation tax rate The tax rate is now proposed to be reduced to 23% by 1 April 2014, with the first reduction to 26% taking effect from 1 April 2011 and the second reduction to 25% taking effect from 1 April 2012

As the reductions from 26% to 23% had not been enacted at the balance sheet date (the reduction to 25% was substantively enacted on 5 July 2011 whilst the further reductions to 23% have not yet been substantively enacted) they are not included in these financial statements

If the proposed reduction in the tax rate to 23% had been substantively enacted at the balance sheet date, a reduction in the closing deferred tax liability of £2,000 would arise

Notes to the financial statements

at 30 June 2011

8. Intangible fixed assets

	Goodwill £000
Cost	
At 1 July 2010 and at 30 June 2011	330
Amortisation	
At 1 July 2010	135
Charge for the year	16
At 30 June 2011	151
Net book value	
At 30 June 2011	179
At 1 July 2010	195

9. Tangible fixed assets

	Leasehold property £000	Computer equipment £000	Fixtures and fittings £000	WIP £000	Total £000
Cost					
At 1 July 2010	–	95	383	–	478
Additions	209	–	235	12	456
At 30 June 2011	209	95	618	12	934
Depreciation					
At 1 July 2010	–	82	205	–	287
Provided during the year	2	5	32	–	39
At 30 June 2011	2	87	237	–	326
Net book value					
At 30 June 2011	207	8	381	12	608
At 1 July 2010	–	13	178	–	191

Notes to the financial statements
at 30 June 2011

10. Investments

	Shares in subsidiary undertakings
	£
Cost and net book value	
At 1 July 2010 and at 30 June 2011	200

Details of the subsidiary undertakings are set out below All holdings are of ordinary shares and are 100% holdings, including 100% of voting rights All companies are incorporated in England and Wales

Name of company	*Nature of business*
S & R Financial Limited	Secured loans, ceased trading June 2011
Suttons and Robertsons Limited	Non trading company

11. Stocks

	2011	*2010*
	£000	*£000*
		As restated Note 1
Goods for resale	840	644
Stock held as security	7,183	6,713
	8,023	7,357

12. Debtors

	2011	*2010*
	£000	*£000*
		As restated Note 1
Trade debtors	1,833	852
Amounts due to group undertakings	645	331
Other debtors and prepayments	227	305
	2,705	1,488

Notes to the financial statements

at 30 June 2011

13. Creditors: amounts falling due within one year

	2011	*2010*
	£000	*£000*
		As restated
		Note 1
Bank loans	125	375
Trade creditors	119	85
Amounts owed to group undertakings	1,139	412
Corporation tax	208	335
Other taxes and social security costs	26	13
Other creditors and accruals	518	329
	2,135	1,549

The bank loans and overdraft balance are secured on the domestic assets of T M Sutton Limited and DMWSL 488 Limited, a fellow group company

14. Creditors: amounts falling due after more than one year

	2011	*2010*
	£000	*£000*
		As restated
		Note 1
Bank loans	5,322	5,447

15. Loans

Loans repayable, included within creditors, are analysed as follows

	2011	*2010*
	£000	*£000*
		As restated
		Note 1
Wholly repayable within five years	5,447	5,822

Loan balances bear interest as follows

£3,500,000 (2010 £3,500,000) at 2 5% above LIBOR and £1,822,000 (2010 £1,822,000) at 2 5% above bank base rate both loans are repayable in full in September 2012

£125,000 at 2 75% above LIBOR and is repayable in quarterly instalments of £125,000 commencing December 2010

Loans are secured on the domestic assets of T M Sutton Limited and DMWSL 488 Limited, a fellow group company

Notes to the financial statements

at 30 June 2011

16. Provisions for liabilities

	Deferred tax *£000*
At 1 July 2010 (note 7(c))	5
Charged to the profit and loss account (note 7(a))	11
At 30 June 2011	16

17. Issued share capital

		2011		*2010*
Allotted, called up and fully paid	*No*	*£000*	*No*	*£000*
Ordinary shares of £1 each	70,003	70	70,003	70

18. Reconciliation of shareholders' funds and movements on reserves

	Share capital *£000*	*Profit and loss account* *£000*	*Total share-holders' funds* *£000*
At 1 April 2009	70	2,775	2,845
Profit for the period	–	741	741
At 1 July 2010	70	3,516	3,586
Profit for the year	–	1,289	1,289
At 30 June 2011	70	4,805	4,875

19. Pensions

The company operates a defined contribution pension scheme for its directors and senior employees

The assets of the scheme are held separately from those of the company in an independently administered fund At 30 June 2011 pension contributions totalling £nil (2010 – £nil) were included within creditors

Notes to the financial statements

at 30 June 2011

20 Other financial commitments

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2011	*2010*
	£000	*£000*
Operating leases which expire		
In two to five years	204	200
In over five years	243	152
	447	352

21. Related party transactions

The company is a wholly owned subsidiary of DFC Global Corp , the group financial statements of which are publicly available

Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the DFC Global Corp group

22. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Nathan & Co (Birmingham) Limited, a company incorporated in the United Kingdom

The largest and smallest group for which financial statements are drawn up which incorporate the results of T M Sutton Limited is that headed by DFC Global Corp , a company incorporated in the United States of America

The company's ultimate parent undertaking and controlling party is DFC Global Corp , a company incorporated in the United States of America Copies of the group financial statements, which include the results of T M Sutton Limited, are available from 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312