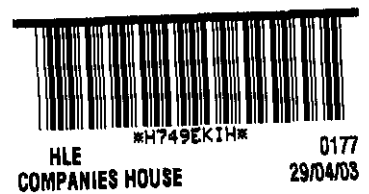


# **Cash Centres Limited**

## **Report and Financial Statements**

30 June 2002



# Cash Centres Limited

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Registered No: 2736661

## **Directors**

C Hetherington  
D F Gayhardt  
J A Weiss  
R Withers

## **Secretary**

P J Sokolowski

## **Auditors**

Ernst & Young LLP  
Cloth Hall Court  
14 King Street  
Leeds  
LS1 2JN

## **Bankers**

Bank of Scotland  
Douglas House  
117 Foregate Street  
Chester  
CH1 1HE

## **Registered office**

42 Alie Street  
London  
E1 8DA

## Directors' report

The directors present their report and financial statements for the year ended 30 June 2002.

### Results and dividends

The profit for the year, after taxation, amounted to £376,405. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company during the year was that of cheque encashment and related financial services.

### Directors

The directors who served the company during the year were as follows:

C Hetherington  
D F Gayhardt  
J A Weiss

There are no directors' interests requiring disclosure under the Companies Act 1985.

Subsequent to the year end, the following were appointed as directors of the company:  
R Withers (appointed 14 February 2003)

### Auditors

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually is in force and accordingly Ernst & Young LLP shall be deemed reappointed as auditors.

On behalf of the board

C Hetherington

Director

25 April 2003

## Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Cash Centres Limited**

We have audited the company's financial statements for the year ended 30 June 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Leeds

*28 April*

2003

**Profit and loss account**

for the year ended 30 June 2002

	<i>Notes</i>	2002 £	2001 £
<b>Turnover</b>	2	2,382,827	2,739,760
Administrative expenses		1,848,146	1,731,489
<b>Operating profit</b>	3	534,681	1,008,271
Bank interest receivable	6	2,784	3,823
Interest payable	7	(3,866)	(4,275)
		(1,082)	(452)
<b>Profit on ordinary activities before taxation</b>		533,599	1,007,819
Tax on profit on ordinary activities	8	157,194	35,443
<b>Profit retained for the financial year</b>		376,405	972,376

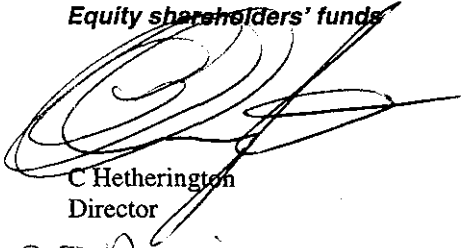
**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the profit of £376,405 attributable to the shareholders for the year ended 30 June 2002 (2001 - profit of £972,376).

**Balance sheet**

at 30 June 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	9	184,215	170,258
Investments	10	106,588	106,588
		<u>290,803</u>	<u>276,846</u>
<b>Current assets</b>			
Stocks	11	10,628	10,178
Debtors	12	3,783,224	2,120,504
Cash at bank and in hand		1,249,685	1,159,941
		<u>5,043,537</u>	<u>3,290,623</u>
<b>Creditors: amounts falling due within one year</b>	13	3,655,116	2,263,070
		<u>1,388,421</u>	<u>1,027,553</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		<u>1,679,224</u>	<u>1,304,399</u>
<b>Creditors: amounts falling due after more than one year</b>	14	—	1,580
		<u>1,679,224</u>	<u>1,302,819</u>
<b>Capital and reserves</b>			
Called up share capital	17	204,300	204,300
Profit and loss account	18	1,474,924	1,098,519
<b>Equity shareholders' funds</b>	18	<u>1,679,224</u>	<u>1,302,819</u>



C Hetherington  
Director

25 April 2003

## Notes to the financial statements

at 30 June 2002

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention.

#### *Cash flow statement*

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### *Related parties transactions*

The company is a wholly owned subsidiary of Dollar Financial Group Inc., the consolidated accounts 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 Dollar Financial Group Inc. group.

#### *Fixed assets*

All fixed assets are initially recorded at cost.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold property improvements	- 20% straight line
Fixtures & fittings	- 20% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 33% straight line

#### *Stocks*

Stocks are stated at the lower of costs and net realisable value, after making due allowance for obsolete and slow moving items.

#### *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 tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- 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;
- 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.



# Notes to the financial statements

at 30 June 2002

## 1. Accounting policies (continued)

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 currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

### Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Other leases are accounted for as 'operating leases' and the rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

### Pension costs

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.

### Investments

Investments held as fixed assets are stated at cost less any provision for a permanent diminution in value.

## 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/(crediting):

	2002 £	2001 £
Auditors' remuneration - audit services	6,860	9,000
Depreciation of owned fixed assets	87,225	138,928
Depreciation of assets held under finance leases	5,128	41,068
	<u>92,353</u>	<u>179,996</u>
Loss/(profit) on disposal of fixed assets	<u>22,962</u>	<u>(4,498)</u>

## Notes to the financial statements

at 30 June 2002

### 4. Staff costs

	2002 £	2001 £
Wages and salaries	667,802	703,618
Social security costs	60,582	62,283
Other pension costs	28,729	18,245
	<u>757,113</u>	<u>784,146</u>

The monthly average number of employees during the year was as follows:

	2002 No.	2001 No.
Administration	44	48
Selling	2	2
	<u>46</u>	<u>50</u>

### 5. Directors' emoluments

	2002 £	2001 £
Emoluments	<u>-</u>	<u>132,533</u>

From 1 July 2001, the directors have been remunerated by other group companies of which they are also directors.

### 6. Interest receivable

	2002 £	2001 £
Bank interest receivable	<u>2,784</u>	<u>3,823</u>

### 7. Interest payable

	2002 £	2001 £
Bank interest payable	2,704	2,765
Finance charges payable under finance leases	1,162	1,510
	<u>3,866</u>	<u>4,275</u>

## Notes to the financial statements

at 30 June 2002

### 8. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2002 £	2001 £
<i>Current tax:</i>		
UK corporation tax	157,194	1,622
Tax under provided in previous years	–	33,821
Total current tax (note 8(b))	<u>157,194</u>	<u>35,443</u>

#### (b) Factors affecting current tax charge

The differences are reconciled below:

	2002 £	2001 £
Profit on ordinary activities before taxation	<u>533,599</u>	<u>1,007,819</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%, (2001 - 30%)	160,080	302,346
Expenses not deductible for tax	3,851	1,366
Capital allowances in excess of depreciation	(6,737)	20,690
Group relief not paid for	–	(321,969)
Adjustment for small companies rate of corporation tax	–	(811)
Adjustments in respect of prior periods	–	33,821
Total current tax (note 8(a))	<u>157,194</u>	<u>35,443</u>

## Notes to the financial statements

at 30 June 2002

## 9. Tangible fixed assets

	<i>Leasehold property improvements</i>	<i>Fixtures &amp; fittings</i>	<i>Motor vehicles</i>	<i>Office equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 July 2001	64,440	71,988	99,990	592,163	828,581
Additions	–	33,180	–	97,653	130,833
Disposals	–	–	(65,490)	–	(65,490)
At 30 June 2002	<u>64,440</u>	<u>105,168</u>	<u>34,500</u>	<u>689,816</u>	<u>893,924</u>
Depreciation:					
At 1 July 2001	45,987	44,866	54,147	513,323	658,323
Provided during the year	9,745	17,563	13,741	51,304	92,353
Disposals	–	–	(40,967)	–	(40,967)
At 30 June 2002	<u>55,732</u>	<u>62,429</u>	<u>26,921</u>	<u>564,627</u>	<u>709,709</u>
Net book value:					
At 30 June 2002	<u>8,708</u>	<u>42,739</u>	<u>7,579</u>	<u>125,189</u>	<u>184,215</u>
At 1 July 2001	<u>18,453</u>	<u>27,122</u>	<u>45,843</u>	<u>78,840</u>	<u>170,258</u>

The net book value of assets above includes an amount of £6,845 (2001 - £41,729) in respect of assets held under finance leases.

## 10. Investments

	£
Cost:	
At 1 July 2001 & 30 June 2002	<u>106,588</u>

Cash Centres Limited owns 100% of the issued share capital of Lombard Guildhouse Limited, a company incorporated in England and Wales.

## 11. Stocks

	2002 £	2001 £
Consumables	<u>10,628</u>	<u>10,178</u>

# Notes to the financial statements

at 30 June 2002

## 12. Debtors

	2002 £	2001 £
Trade debtors	302,952	483,678
Amounts owed by group undertakings	3,405,934	1,548,938
Prepayments and accrued income	74,338	87,888
	<u>3,783,224</u>	<u>2,120,504</u>

## 13. Creditors: amounts falling due within one year

	2002 £	2001 £
Obligations under finance leases (note 15)	2,727	16,931
Trade creditors	18,226	13,253
Amounts owed to group undertakings	1,545,493	512,066
Corporation tax	157,194	1,622
Other taxation and social security	16,825	95,248
Other creditors	1,856,123	1,623,950
Accruals and deferred income	58,528	—
	<u>3,655,116</u>	<u>2,263,070</u>

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

	2002 £	2001 £
Obligations under finance leases (note 15)	<u>—</u>	<u>1,580</u>

## 15. Obligations under finance leases

The maturity of these amounts is as follows:

	2002 £	2001 £
Amounts payable:		
Within one year	2,727	16,931
In two to five years	—	1,580
	<u>2,727</u>	<u>18,511</u>

## 16. Related party transactions

The company has taken advantage of the exemption given in FRS 8 not to disclose related party transactions with other members of the group.

## Notes to the financial statements

at 30 June 2002

## 17. Share capital

	2002 £	Authorised 2001 £
Ordinary shares of £1 each	10,000,000	10,000,000

	No.	Allotted, called up and fully paid 2002 £	No.	2001 £
Ordinary shares of £1 each	204,300	204,300	204,300	204,300

## 18. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 July 2000	204,300	126,143	330,443
Profit for the year	–	972,376	972,376
At 30 June 2001	204,300	1,098,519	1,302,819
Profit for the year	–	376,405	376,405
At 30 June 2002	204,300	1,474,924	1,679,224

## 19. Commitments

The borrowings of the ultimate parent undertaking are secured by a fixed and floating charge over the assets of all group undertakings.

## 20. Pension commitments

The company operates a defined contribution pension scheme for its senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions outstanding at the year end.

## 21. Ultimate parent company

The company's ultimate parent undertaking in the United Kingdom is Dollar Financial UK Limited. It has included this company in its group accounts from the date of acquisition being 15 December 1999, copies of which accounts are available from its registered office.

In the directors' opinion the company's ultimate parent undertaking and controlling party is Dollar Financial Group Inc., which is incorporated in the USA. Copies of its group accounts which include the company are available from Dollar Financial Group Inc., 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312.