

# Cash Centres Limited

## Report and Financial Statements

30 June 2014

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COMPANIES HOUSE

**Directors**

E Ericson  
K Kaye  
B Nussbaum  
M Prior  
C Walton

**Secretary**

R Mckenzie

**Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Bankers**

The Royal Bank of Scotland  
Corporate Banking  
East Midlands  
PO Box 7895  
6th Floor  
Cumberland Place  
Nottingham NG1 7ZS

**Solicitors**

Eversheds  
1 Royal Standard Place  
Nottingham  
NG1 6FZ

**Registered Office**

6 Bevis Marks  
London  
EC3A 7BA

Registered No. 02736661

## **Directors' report**

The directors present their report and financial statements for the year ended 30 June 2014.

### **Results and dividends**

The loss for the year after tax amounted to £30,000 (2013 – loss of £128,000). The directors do not recommend a final dividend (2013 – £nil).

### **Principal activities, review of the business**

The principal activity of the company was that of cheque encashment and related financial services through franchise outlets.

During 2013 the directors gave notice to cease trading with all franchisees, the last franchisee ceasing business with the company on the 31 August 2013.

The Company was formerly a wholly owned, subsidiary of DFC Global Corp., a US listed parent undertaking. On 13 June 2014, the parent company and associated subsidiaries, including the Company, was sold to Lone Star Funds Fund VIII (US), L.P. a private equity firm incorporated in the United States of America, for consideration of \$1.3 billion.

### **Going concern**

The financial statements have been prepared on a going concern basis as the company has positive net assets and no decision has been taken to wind up the company.

### **Directors**

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

S Corepal	(resigned 14 November 2014)
C Walton	
E Ericson	
K Kaye	
B Nussbaum	(appointed 10 August 2014)
M Prior	
R Underwood	(resigned 10 August 2014)
J Weiss	(resigned 12 September 2014)

### **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, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

## Directors' report (continued)

### Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board



K Kaye  
Director

Date 31 March 2015

## Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 Cash Centres Limited**

We have audited the financial statements of Cash Centres Limited for the year ended 30 June 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 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 report and financial statements 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 2014 and of its loss 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 Cash Centres 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



Peter Wallace (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)  
London

Date: 31. III. 2015

## Profit and loss account

for the year ended 30 June 2014

		2014	2013
	Notes	£000	£000
<b>Turnover</b>	2	16	164
Administrative expenses		(40)	(290)
<b>Loss on ordinary activities before tax</b>	3	(24)	(126)
Tax	6	(6)	(2)
<b>Loss for the financial year</b>	12	(30)	(128)

All of the company's trade was discontinued in August 2013.

## Statement of total recognised gains and losses

for the year ended 30 June 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £30,000 in the year ended 30 June 2014 (2013 – loss of £128,000).



Registered No. 02736661

## Balance sheet

at 30 June 2014

	Notes	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	7	-	6
Investments	8	-	107
		-	113
<b>Current assets</b>			
Debtors	9	9,648	9,548
Cash at bank		208	603
		9,856	10,151
Creditors: amounts falling due within one year	10	(8,706)	(9,084)
<b>Net current assets</b>		1,150	1,067
<b>Net assets</b>		1,150	1,180
<b>Capital and reserves</b>			
Called up share capital	11	204	204
Profit and loss account	12	946	976
<b>Shareholders' funds</b>	12	1,150	1,180

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:



K Kaye  
Director

Date: 31 March 2015

## Notes to the financial statements

at 30 June 2014

### 1. Accounting policies

#### *Basis of preparation*

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

#### *Group financial statements*

The financial statements contain information about Cash Centres 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 Sterling Mid-Holdings Limited drawn up to 30 June 2014; and
- that the group financial statements of Sterling Mid-Holdings Limited are drawn up in a manner equivalent to group financial statements drawn up in accordance with the provisions of the Seventh Directive and these financial statements are available on request from the Company Secretary at 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312.

#### *Going concern*

The financial statements have been prepared on a going concern basis as the company has positive net assets and no decision has been taken to wind up the company.

#### *Statement of cash flows*

The company is exempt from the requirements of FRS 1 (revised) and therefore has not presented a statement of cash flows. Its results are included within the group financial statements of its parent undertaking, Sterling Mid-Holdings Limited, and these financial statements are available on request from the Company Secretary at 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312.

#### *Turnover*

Commission receivable on franchisee cheque cashing and related services is recognised at the time of the franchisee performing the transaction.

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

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment	–	33% per annum straight-line basis
Fixtures and fittings	–	20% per annum straight-line basis

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.

#### *Investments*

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

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

at 30 June 2014

### 1. Accounting policies (continued)

#### *Tax*

The charge for tax 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 tax and accounting purposes.

#### *Deferred tax*

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 right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred tax 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.

#### *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.

### 2. Turnover

Turnover is attributable to the principal activity of the company and arises solely within the United Kingdom. During 2013 the directors gave notice to cease trading with all franchisees, the last franchisee ceasing business with the company on the 31 August 2013.

### 3. Loss on ordinary activities before tax

This is stated after charging:

	2014 £000	2013 £000
Impairment of owned fixed assets	3	-
Depreciation of owned fixed assets	-	3

During 2013 and until 13 June 2014, audit fees were borne by the company's parent undertaking DFC Global Corp. Following the sale of DFC Global Corp on 13 June 2014, audit fees are borne by the company's new parent undertaking Sterling Mid-Holdings Limited.

### 4. Directors' remuneration

The directors of the company are remunerated by other companies within the Sterling Mid-Holdings Limited group. The directors consider that the level of their qualifying services provided to this company is inconsequential in 2013 and 2014. No recharge of directors' remuneration has been made.

## Notes to the financial statements

at 30 June 2014

### 5. Staff costs

	2014 £000	2013 £000
Wages and salaries	-	167
Social security costs	-	13
Other pension costs	-	1
	<u>-</u>	<u>181</u>

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

	No.	No.
Administration	-	8
Selling	-	1
	<u>-</u>	<u>9</u>

No staff costs were incurred in 2014 as during 2013 the directors gave notice to cease trading with all franchisees and as such all employees contracts were transferred to Instant Cash Loans Limited, a fellow group company.

### 6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £000	2013 £000
<b>Current tax:</b>		
UK corporation tax on the loss for the year	-	-
Total current tax (note 6(b))	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(6)	(2)
Total deferred tax (note 6(c))	<u>(6)</u>	<u>(2)</u>
Tax on loss on ordinary activities	<u>(6)</u>	<u>(2)</u>

## Notes to the financial statements

at 30 June 2014

### 6. Tax (continued)

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

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 22.50% (2013 – 23.75%). The differences are explained below:

	2014 £000	2013 £000
Loss on ordinary activities before tax	(24)	(126)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.50% (2013 – 23.75%).	(5)	(30)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(2)	1
Capital allowances in excess of depreciation	(7)	(2)
Group relief surrendered for no payment	14	31
Current tax for the year (note 6(a))	–	–

#### (c) Deferred tax

The deferred tax asset is analysed as follows:

	2014 £000	2013 £000
Decelerated capital allowances (note 9)	–	6

Movements on the deferred tax asset are as follows:

	£000
At 1 July 2013	6
Charge to the profit and loss account (note 6(a))	(6)
At 30 June 2014	–

## Notes to the financial statements

at 30 June 2014

### 7. Tangible fixed assets

	<i>Fixtures and fittings £000</i>	<i>Computer equipment £000</i>	<i>Total £000</i>
Cost:			
At 1 July 2013	66	48	114
Transfer to fellow group company	-	(3)	(3)
At 30 June 2014	<u>66</u>	<u>45</u>	<u>111</u>
Depreciation:			
At 1 July 2013	66	42	108
Impairment charge	-	3	3
At 30 June 2014	<u>66</u>	<u>45</u>	<u>111</u>
Net book value:			
At 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>
At 1 July 2013	<u>-</u>	<u>6</u>	<u>6</u>

### 8. Investments

	<i>2014 £000</i>	<i>2013 £000</i>
Shares in subsidiary undertakings	<u>-</u>	<u>107</u>

During the year the Directors made the decision to voluntary strike off the dormant entity Cash A Cheque (South) Limited from the register of companies. The transaction did not result in a gain or loss as the cost of investment and a corresponding amount due from Cash A Cheque (South) Limited were fully written down.

### 9. Debtors

	<i>2014 £000</i>	<i>2013 £000</i>
Trade debtors	-	12
Amounts due from group undertakings	9,648	9,525
Prepayments and accrued income	-	5
Deferred tax asset (note 6(c))	-	6
	<u>9,648</u>	<u>9,548</u>

## Notes to the financial statements

at 30 June 2014

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

	2014 £000	2013 £000
Amounts due to group undertakings	8,706	8,820
Other creditors	-	260
Accruals and deferred income	-	4
	<u>8,706</u>	<u>9,084</u>

### 11. Issued share capital

<i>Allotted, called up and fully paid</i>	No.	2014 £000	No.	2013 £000
Ordinary shares of £1 each	204,300	<u>204</u>	204,300	<u>204</u>

### 12. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 1 July 2012	204	1,104	1,308
Profit for the year	-	(128)	(128)
At 1 July 2013	<u>204</u>	<u>976</u>	<u>1,180</u>
Loss for the year	-	(30)	(30)
At 30 June 2014	<u>204</u>	<u>946</u>	<u>1,150</u>

### 13. Related party transactions

In accordance with the exemptions offered by FRS 8 "Related Party disclosures" there is no disclosure in these financial statements of transactions with members or investees that are part of the Sterling Mid-Holdings Limited group.

### 14. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Cash Centres Corporation 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 Cash Centres Limited is that headed by Sterling Mid-Holdings Limited. Copies of the group financial statements, which include the results of the Company, are available from 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312.

The Company's ultimate parent undertaking and controlling party is Lone Star Fund VIII (U.S), L.P. a private equity firm incorporated in the United States of America.