

The Old English Pawnbroking Company Limited

Report and Financial Statements

30 June 2013



Directors

S Corepal
E G Ericson
M L Prior
R Underwood
J A Weiss

Secretary

M L Prior

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
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NG1 6FZ

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6th Floor
77 Gracechurch Street
London EC3V 0AS

Registered No. 03040337

Directors' report

The directors present their report and financial statements for the ten month period ended 30 June 2013. The comparative period relates to the unaudited thirteen month period ended 24 August 2012.

The prior year financial statements and therefore comparative balances were unaudited at 31 December 2011 as the company was able to claim an audit exemption under section 477 of the Companies Act 2006 based on its size.

Results and dividends

The loss for the period after taxation amounted to £7,000, (2012 unaudited – profit of £208,000). The directors do not recommend a final dividend (2012 unaudited – £nil).

Principal activities, review of the business

The principal activity of the company during the period to 24 August 2012 was that of providing pawnbroking services.

On 24 August 2012 the entire share capital of the company was acquired by Instant Cash Loans Limited.

With effect from close of business on 24 August all the trade and assets of the company have been transferred to Instant Cash Loans Limited Trading as The Money Shop, therefore The Old English Pawnbroking Company Limited ceased trading from this date.

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 period and up to the date of this report were as follows:

S Corepal (appointed 30 May 2013)
E G Ericson (appointed 24 April 2013)
M L Prior (appointed 24 April 2013)
R Underwood
J A Weiss
K Lockton (resigned 1 November 2013)
N L Green (resigned 30 May 2013)
R A Bryan (resigned 31 March 2013)
S McCree (resigned 1 June 2013)
R Hibberd (resigned 24 April 2013)

Director's Liabilities

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.

Auditors


Ernst & Young LLP were appointed as external auditors on 6 November 2013 and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Directors' report

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

A handwritten signature in black ink, appearing to read 'S Corepal', with a large, stylized loop at the end.

S Corepal
Director

28 March 2014

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 The Old English Pawnbroking Company Limited

We have audited the financial statements of The Old English Pawnbroking Company Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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). 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.

Basis for qualified opinion on financial statements

The prior year financial statements were issued prior to the company's acquisition by Instant Cash Loans Limited and were unaudited. Consequently, the audit evidence available to us was limited in respect of the opening balances relating to existence and valuation of stocks at a value of £96,653 and physical cash held in stores at a value of £28,168 accounted for within the total cash opening balance of £31,910, because we did not observe the counting of these physical assets as of that date, since that date was prior to our appointment as auditor of the company. The audit evidence available to us was also limited in respect of the opening balances relating to loan balances held within trade debtors at a value of £1,605,454 and accrued interest held within other debtors at a value of £412,275, because we have been unable to obtain sufficient evidence to support the existence of these balances.

Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stocks, cash held in store and trade debtors and associated accrued interest quantities as at 25 August 2012 by using other procedures.

Independent auditors' report

to the members of The Old English Pawnbroking Company Limited

Qualified opinion on the financial statements

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock and cash held at stores included within the overall cash balance and trade debtors and associated accrued interest included within other debtors as at 24 August 2012:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine if adequate accounting records have been kept.

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:

- 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
- the directors were not entitled to prepare the directors' report in accordance with the small companies exemption.

Other matter

The comparatives for the period ended 24 August 2012 are unaudited.



Peter Wallace (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

31 March 2014

Profit and loss account

for the period ended 30 June 2013

		2013 10 month period £000	2012 unaudited 13 month period £000
	Notes		
Turnover	2	–	4,056
Cost of goods sold		–	(2,271)
Gross profit		–	1,785
Administrative expenses		(7)	(1,385)
Operating (loss)/profit	3	(7)	400
Interest payable and similar charges		–	(128)
(Loss)/profit on ordinary activities before taxation		(7)	272
Tax	5	–	(64)
(Loss)/profit for the financial period	10	(7)	208

All amounts presented in the comparative period relate to discontinued operations.

Statement of total recognised gains and losses

for the period ended 30 June 2013

	2013 10 month period £000	2012 unaudited 13 month period £000
	Notes	
(Loss)/profit for the financial period and total recognised gains and losses for the period		(7) 208
Prior period adjustment (see note 1)		1,724
Total recognised gains and losses since last annual report		1,717

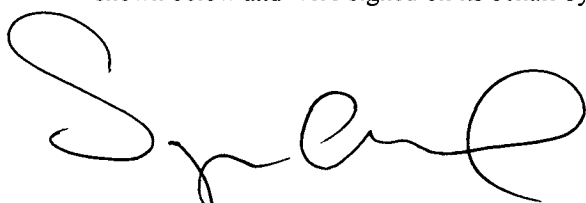
Registered No. 03040337

Balance sheet

at 30 June 2013

	Notes	2013 £000	2012 unaudited £000
Fixed assets			
Tangible assets	6	–	164
Current assets			
Stocks		–	96
Debtors	7	2,238	2,044
Cash at bank		–	32
		<u>2,238</u>	<u>2,172</u>
Creditors: amounts falling due within one year	8	–	(91)
Net current assets		<u>2,238</u>	<u>2,081</u>
Net assets		<u>2,238</u>	<u>2,245</u>
Capital and reserves			
Called up share capital	9	1	1
Capital contribution reserve	10	1,724	1,724
Profit and loss account	10	<u>513</u>	<u>520</u>
Shareholders' funds	10	<u>2,238</u>	<u>2,245</u>

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:



S Corepal
Director

28 March 2014

Notes to the financial statements

at 30 June 2013

1. Accounting policies

Basis of preparation

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

The prior year financial statements and therefore comparative balances were unaudited at 24 August 2012 as the company was able to claim an audit exemption under section 477 of the Companies Act 2006 based on its size.

Prior period adjustment

On 24 August 2012, the new parent undertaking, Instant Cash Loan Limited, made a capital contribution to the company of £1,724,000. This contribution was made to facilitate settlement of certain of the company's debts. The financial statements for the period ended 24 August 2012 excluded this transaction and have therefore been adjusted by way of a prior period adjustment as described by FRS3. The impact of the prior period adjustment is to reduce creditors by £1,724,000 and to increase reserves by the same amount. There is no impact on the profit and loss account.

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 ultimate parent undertaking, DFC Global Corp. and these financial statements are publicly available.

Turnover

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

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 pawnbroking loans and buy back sales is recognised at the time of the sale.

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:

Leasehold property improvements	10% to 20% per annum straight line basis
Computer equipment	33% per annum straight-line basis
Fixtures and fittings	15% per annum straight-line basis
Motor vehicles	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.

Stocks

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

Tax

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

Notes to the financial statements

at 30 June 2013

1. Accounting policies (continued)

Deferred taxation

Deferred taxation 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:

- 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 discontinued principal activity of the company and arises solely within the United Kingdom.

3. (Loss)/profit on ordinary activities before taxation

This is stated after charging:

	<i>2013</i> <i>10 month</i> <i>period</i> <i>£000</i>	<i>2012</i> <i>unaudited</i> <i>13 month</i> <i>period</i> <i>£000</i>
Depreciation of owned fixed assets	–	70
Directors remuneration	–	6

In the period to 30 June 2013 the directors of the company are remunerated by other companies within the DFC Global Corp. group. No recharge of directors' remuneration has been made.

Audit fees have been borne by the company's ultimate parent undertaking in 2013. There were no audit fees attributable in 2012 as the company was not audited.

Notes to the financial statements

at 30 June 2013

4. Staff costs

	2013 10 month period £000	2012 unaudited 13 month period £000
Wages and salaries	–	552
Social security costs	–	53
Other pension costs	–	6
	<u>–</u>	<u>611</u>

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

	No.	No.
Administration	–	7
Selling	–	16
	<u>–</u>	<u>23</u>

5. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows:

	2013 10 month period £000	2012 unaudited 13 month period £000
Current tax:		
UK corporation tax on the (loss)/profit for the period	–	70
Adjustments in respect of prior years	–	(6)
Total current tax (note 5(b))	<u>–</u>	<u>64</u>
Deferred tax:		
Origination and reversal of timing differences	–	–
Total deferred tax (note 5(c))	<u>–</u>	<u>–</u>
Tax on (loss)/profit on ordinary activities	<u>–</u>	<u>64</u>

Notes to the financial statements

at 30 June 2013

5. Tax (continued)

(b) Factors affecting current tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%). The differences are explained below:

	2013 10 month period £000	2012 unaudited 13 month period £000
(Loss)/profit on ordinary activities before tax	(7)	273
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 unaudited – 25.5%).	(2)	70
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2	–
Prior year adjustment	–	(6)
Current tax for the period (note 5(a))	–	64

(c) There is no provided or un-provided deferred tax as at 24 August 2012 or 30 June 2013.

(d) Factors affecting future tax charges

In the Budget of 20 March 2013, the Government announced that the UK rate of corporation tax will reduce by 2% to 21% effective from 1 April 2014 and reduce further by 1% to 20% effective from 1 April 2015. These reductions in the corporation tax rate were substantively enacted on 2 July 2013 and as they were not substantively enacted as at 30 June 2013, will only be reflected in the financial statements in future periods.

6. Tangible fixed assets

	Leasehold buildings £000	Fixtures fittings and equipment £000	Total £000
Cost:			
At 24 August 2012 unaudited	129	312	441
Transfer to Instant Cash Loans Limited	(129)	(312)	(441)
At 30 June 2013	–	–	–
Depreciation:			
At 24 August 2012 unaudited	79	198	277
Transfer to Instant Cash Loans Limited	(79)	(198)	(277)
At 30 June 2013	–	–	–
Net book value:			
At 30 June 2013	–	–	–
At 24 August 2012 unaudited	50	114	164

Notes to the financial statements

at 30 June 2013

7. Debtors

	2013 £000	2012 unaudited £000
Trade debtors	–	1,605
Amounts due from group undertakings	2,238	–
Other debtors	–	439
	<u>2,238</u>	<u>2,044</u>

8. Creditors: amounts falling due within one year

	2013 £000	2012 unaudited (as restated – note 1) £000
Trade creditors	–	2
Taxation and social security	–	82
Other creditors	–	7
	<u>–</u>	<u>91</u>

9. Issued share capital

	2013		2012	
	No.	£'000	No.	£'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1,000	<u>1</u>	1,000	<u>1</u>

Notes to the financial statements

at 30 June 2013

10. Reconciliation of shareholders' funds and movements on reserves

	<i>Share Capital</i>	<i>Revaluation reserve</i>	<i>Capital contribution reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 August 2011 unaudited	1	514	—	658	1,173
Profit for the period	—	—	—	209	209
Dividends paid	—	—	—	(861)	(861)
Transfer from revaluation reserve to profit and loss account	—	(514)	—	514	—
At 24 August 2012 unaudited (as previously reported)	1	—	—	520	521
Prior period adjustment (note 1)	—	—	1,724	—	1,724
At 24 August 2012 unaudited (as restated)	1	—	1,724	520	2,245
Loss for the period	—	—	—	(7)	(7)
At 30 June 2013	1	—	1,724	513	2,238

Upon acquisition of The Old English Pawnbroking Company Limited, the new parent undertaking made a capital contribution of £1,724,000. As the parent undertaking directed that the company should regard this contribution as capital and not debt, the contribution was recorded in the capital contribution reserve. The directors consider the capital contribution reserve to be distributable. The period ended 24 August 2012 has been restated by way of a prior period adjustment to include the capital contribution – see note 1.

11. Pensions

The company operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the period end are £nil (2012 unaudited – £6,000).

12. 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.

13. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Instant Cash Loans Limited, Trading as The Money Shop, a company incorporated in the United Kingdom.

The largest and smallest group for which financial statements are drawn up which incorporate the financial statements of The Old English Pawnbroking Company 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 Cash Centres Limited, are available from 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312.