5654231

Liberis Limited (previously Merchant Cash Express Limited)

Report and Financial Statements

30 June 2013

Directors
M K Badale
M Bithal
A J Fawcett
P Mildenstein
C S Mindenhall

Secretary
M Bithal

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

Bankers
Lloyds TSB
39 Threadneedle Street
London EC2 8AU

Registered Office
5th Floor
1 Hammersmith Broadway
London
W6 9DL

Registered No 05654231

Directors' report

The directors present their report and financial statements for the year ended 30 June 2013

Results and dividends

The profit for the year after taxation amounted to £340,109 (2012 – profit of £493,234) The directors do not recommend a final dividend (2012 – £nil)

Principal activity and review of the business

The principal activity of the company during the year was the provision of alternative funding for merchants for growth capital not available through traditional sources

On 1 October 2013, Dollar Financial UK Limited sold 100% of the company's issued share capital to Merchant Cash Express Holdings Limited who became the company's immediate parent undertaking

Name Change

On 21 October 2013 the company changed its name from Merchant Cash Express Limited to Liberis Limited

Future developments

Medium term plans for the business are for continued growth This strategy will be achieved by ongoing awareness campaigns for the Business Cash Advance product on an industry sector by sector basis This will enable the company to broaden its potential client base and capture new business through its own sales efforts, principally its website, telesales and other forms of mainly electronic mailing In addition the company will continue to support and grow its specialist group of Key Business Introducers

The company, while looking to grow the business significantly, will remain cognisant of the wider economic challenges which appear likely to affect the UK for some time to come

Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the Directors The Directors consider that following the capital contribution during 2010, the company has satisfactory levels of capital to meet business plans and expected growth

The Directors are of the opinion that the company is expected to continue to generate positive cash flows on its own account for the foreseeable future

Directors

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

M K Badale (appointed 13 November 2013)
M Bithal (appointed 13 November 2013)
E Erickson (appointed 15 January 2013, resigned 13 November 2013)
A J Fawcett (appointed 14 November 2013)
R Hibberd (resigned 24 April 2013)
P Mildenstein (resigned 24 April 2013, appointed 14 November 2013)
C S Mindenhall (appointed 13 November 2013)
R N H Morley (resigned 30 June 2013)
I G Morrison (resigned 31 January 2013)
M L Prior (appointed 25 April 2013, resigned 13 November 2013)
K Schwenke (appointed 25 April 2013, resigned 21 June 2013)
R Underwood (resigned 13 November 2013)

Directors' report

J A Weiss (resigned 13 November 2013)
J Wheatley (resigned 13 November 2013)

Political and charitable contributions

The company made no political or charitable contributions during the year (2012 – £nil)

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

Auditors

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

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

Paul Mildenstein
[date] 19 12. 13

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 Liberis Limited (previously Merchant Cash Express Limited)

We have audited the financial statements of Liberis Limited (previously Merchant Cash Express 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 17 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 2013 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

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 take advantage of the small companies' exemption in preparing the directors' report

Ernst & Young LLP.

Andrew Davison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 19 December 2013

Profit and loss account

for the year ended 30 June 2013

	Notes	2013 £	2012 £
Turnover		4,243,897	4,105,697
Administrative expenses		(3,673,205)	(3,522,772)
Operating Profit	2	570,692	582,925
Interest payable and similar charges	5	(106,583)	(136,691)
Profit on ordinary activities before taxation		464,109	446,234
Tax	6	(124,000)	47,000
Profit for the financial year	12	340,109	493,234

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 30 June 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £340,109 in the year ended 30 June 2013 (2012 – profit of £493,234)

Balance sheet

at 30 June 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	7	–	–
Tangible assets	8	198,226	275,228
		198,226	275,228
Current assets			
Debtors	9	4,048,647	4,183,138
Cash at bank and in hand		324,955	728,294
		4,373,602	4,911,432
Creditors. amounts falling due within one year	10	(1,722,108)	(2,677,049)
Net current assets		2,651,494	2,234,383
Total assets less current liabilities		2,849,720	2,509,611
Capital and reserves			
Called up share capital	11	1,267	1,267
Profit and loss account	12	(725,978)	(1,066,087)
Capital contribution reserve	12	3,574,431	3,574,431
Shareholders' funds	13	2,849,720	2,509,611

These Financial Statements we approved for issue by the board of Directors and signed on their behalf by

Paul Mildenstein

Director

Date 19.12 13

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 accounting standards

Statement of cash flows

This company is exempt from the requirements of FRS 1 (revised) and therefore has not prepared a statement of cash flows Its results are included within the group financial statements of its ultimate parent undertaking and controlling party, Dollar Financial Corp , and these financial statements are publicly available

Turnover

The company's turnover is derived from purchasing a future income stream from merchants at a discount Since the related debtors are collectable over extended periods of time, the company recognises revenue on the basis of the average period of collection of those debtors through the merchants Over this period, revenue is recognised on a profile consistent with the expected amortisation of the debtor balances Deferred income arises in cases where revenue is received in advance of the average period of collection

Debtors and provisions for impairment

Debtors represent future income streams purchased from merchants at a discount, and are recorded on an amortised cost basis The company regularly monitors debtors for indication of impairment, or non-compliance with the contractual terms of the purchase of income streams The company records a collective provision for bad and doubtful debts based on historical data from debtors which have ultimately been written off, and also a specific provision for the full outstanding amounts of each debtor, less expected recoveries, which the company categorises as impaired and the directors believe will not be recoverable These provisions are recorded against the amortised cost balance of debtors

Intangible fixed assets

Amortisation is calculated so as to amortise the cost of an asset, net of any anticipated disposal proceeds, over the estimated useful economic life of that asset as follows

Intellectual property	–	over 2 years

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation Cost represents purchase price together with any incidental costs of acquisition

Depreciation is calculated so as to depreciate the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Plant and machinery	–	33% straight-line per annum
Fixtures and fittings	–	33% straight-line per annum
Leasehold improvements	–	20% straight-line per annum
Website development	–	20% straight-line per annum

Assets are depreciated from the date of acquisition on a pro-rata 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

Notes to the financial statements

at 30 June 2013

1. Accounting policies (continued)

Taxation

The charge or credit 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 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 exception

- 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

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease

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. Operating profit

This is stated after charging/(crediting)

	2013	*2012*
	£	*£*
Auditor's fees – audit of the financial statements	20,650	20,000
Depreciation of owned fixed assets	112,225	81,251
Net loss on foreign currency translation of intercompany loans	5,550	708

External audit fees have been borne by the parent undertaking for the previous year

Notes to the financial statements

at 30 June 2013

3. Directors' remuneration

The directors' remuneration in respect of qualifying services is

	2013	*2012*
	£	*£*
Remuneration	232,146	267,136
Value of company pension contributions to money purchase schemes	8,366	11,357
	240,512	278,493

The highest paid director received remuneration of £138,751 (2012 – £133,568) and received contributions to money purchase pension schemes of £5,972 (2012 – £5,678)

Certain directors of the company are also directors of a number of other companies in the Dollar Financial Corp group These directors received total remuneration for the year of £nil (2012 – £nil) from Liberis Limited (previously Merchant Cash Express Limited) in respect of their qualifying services to this company Certain directors of Liberis Limited (previously Merchant Cash Express Limited) are remunerated by other group companies in the group and do not spend a significant proportion of their time performing qualifying services in Liberis Limited (previously Merchant Cash Express Limited)

4 Staff costs

Staff costs (including directors remunerated by the company) were as follows

	2013	*2012*
	£	*£*
Wages and salaries	764,280	840,021
Social security costs	83,620	82,965
Other pension costs	8,366	11,422
	856,266	934,408

The average monthly number of employees during the year (including directors) was made up as follows

	No	*No*
Sales	5	6
Administration	13	14
	18	20

5. Interest payable and similar charges

	2013	*2012*
	£	*£*
On bank loans and overdrafts	13	14
On intercompany loans	106,570	136,677
	106,583	136,691

Notes to the financial statements

at 30 June 2013

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013	2012
	£	£
Current tax		
UK corporation tax on the profit for the year	–	–
Total current tax (note 6(b))	–	–
Deferred tax		
Origination and reversal of timing differences	124,000	(47,000)
Total deferred tax (note 6(c))	124,000	(47,000)
Tax on profit on ordinary activities	124,000	(47,000)

(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 23 75% (2012 – 25 5%) The differences are explained below

	2013	2012
	£	£
Profit on ordinary activities before tax	464,109	446,234
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 75% (2012 – 25 5%)	110,226	113,789
Effects of		
Expenses not deductible for tax purposes	9,899	8,179
Fixed asset timing differences	12,077	(13,661)
Other short term timing differences	(5,153)	–
Utilisation of brought forward losses	(127,049)	(108,307)
Current tax for the year (note 6(a))	–	–

(c) Deferred tax

	2013	2012
	£	£
Fixed asset timing differences	(14,000)	13,000
Tax losses	(40,000)	(191,000)
Total deferred tax (note 9)	(54,000)	(178,000)

Notes to the financial statements

at 30 June 2013

6. Tax (continued)

(c) Deferred tax (continued)

Movements on the deferred taxation asset are as follows

	£
At 1 July 2012	178,000
Charge to the profit and loss account (note 6(a))	(124,000)
At 30 June 2013	54,000

(d) Factors that may affect future tax charges

Deferred tax assets have been stated at the corporation tax rate of 23% (2012 24%) reflecting the reduction in the UK corporation tax rate which takes effect from 1 April 2013 and which was substantially enacted on 3 July 2012

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 reduced 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 accounts in future periods The aggregate impact of the proposed reduction in corporation tax rate from 23% to 20% on the closing deferred tax asset is a reduction of £7,000

7. Intangible fixed assets

	Trade marks and data £
Cost	
At 1 July 2012 and 30 June 2013	27,722
Amortisation	
At 1 July 2012 and 30 June 2013	27,722
Net book value	
At 1 July 2012 and 30 June 2013	–

Notes to the financial statements

at 30 June 2013

8. Tangible fixed assets

	Fixtures and fittings	*Website development*	*Leasehold improvements*	*Computer Equipment*	*Total*
	£	£	£	£	£
Cost					
At 1 July 2012	40,516	121,949	48,118	211,985	422,568
Additions	5,672	7,080	17,415	5,056	35,223
At 30 June 2013	46,188	129,029	65,533	217,041	457,791
Depreciation					
At 1 July 2012	23,181	29,267	20,046	74,846	147,340
Charge for the year	13,112	25,546	12,236	61,331	112,225
At 30 June 2013	36,293	54,813	32,282	136,177	259,565
Net book value					
At 30 June 2013	9,895	74,216	33,251	80,864	198,226
At 1 July 2012	17,335	92,682	28,072	137,139	275,228

9. Debtors

	2013	*2012*
	£	£
Trade debtors	3,868,362	3,783,487
Other debtors	126,285	221,651
Deferred tax asset (note 6(c))	54,000	178,000
	4,048,647	4,183,138

10. Creditors. amounts falling due within one year

	2013	*2012*
	£	£
Trade creditors	67,687	89,744
Amounts owed to group undertakings	640,566	1,596,467
Other taxation and social security costs	33,913	27,921
Other creditors	979,942	962,917
	1,722,108	2,677,049

During the year, Dollar Financial UK Limited, the parent undertaking provided funding to the company A balance of £640,566 remained outstanding at the year end These borrowings accrue interest at a rate of 9% per annum Interest accrued on this loan at the year end is £106,570

Notes to the financial statements

at 30 June 2013

11. Issued share capital

Allotted, called up and fully paid	*No*	*2013 £*	*No*	*2012 £*
Ordinary shares of £0 01 each	126,667	1,267	126,667	1,267

12. Movements on reserves

	Capital contribution reserve £	*Profit and loss account £*
At 1 July 2012	3,574,431	(1,066,087)
Profit for the year	-	340,109
At 30 June 2013	3,574,431	(725,978)

Upon acquisition of Liberis Limited (previously Merchant Cash Express Limited) on 3 October 2009, Dollar Financial UK Limited made a capital contribution of £3,574,431 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

13. Reconciliation of shareholders' funds

	2013 £	*2012 £*
Opening shareholders' funds	2,509,611	2,016,377
Profit for the year	340,109	493,234
Closing shareholders' funds	2,849,720	2,509,611

14. Other financial commitments

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as set out below

	2013 Land and buildings £	*2013 Other £*	*2012 Land and buildings £*	*2012 Other £*
Operating leases which expire				
Within one year	–	–	–	416
In two to five years	45,652	10,687	45,652	6,683
	45,652	10,687	45,652	7,099

Notes to the financial statements

at 30 June 2013

15. Related party transactions

The company was 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

16. Events after the balance sheet date

On 1 October 2013, Dollar Financial UK Limited sold 100% of the company's issued share capital to Merchant Cash Express Holdings Limited who became the company's immediate parent undertaking

17. Ultimate parent undertaking and controlling party

At the year end the company's immediate parent undertaking was Dollar Financial UK Limited, a company incorporated in the United Kingdom

The largest and smallest group for which the financial statements are drawn up which incorporates the results of Liberis Limited (previously Merchant Cash Express Limited) is that headed by DFC Global Corp , a company incorporated in the United States of America

At the year end the company's ultimate parent undertaking and controlling party was DFC Global Corp , a company incorporated in the United States of America Copies of the group financial statements, which contain the results of Merchant Cash Express Limited, are available from 1436 Lancaster Avenue, Suite 300, Berwyn, Pennsylvania 19312, United States of America

The company's immediate parent undertaking changed on 1 October 2013 and the new immediate and ultimate parent is Merchant Cash Express Holdings Limited, a company incorporated in Jersey (registered address No 2, The Forum, Grenville Street, St Helier, JE1 4HH, Jersey)