

Dollar Financial Europe Limited

Report and Financial Statements

30 June 2012

TUESDAY



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COMPANIES HOUSE

Directors

S Corepal
E Erickson
R Hibberd
R Underwood
J Weiss

Secretary

R Hibberd

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

Freeth Cartwright LLP
Cumberland Court
80 Mount Street
Nottingham NG1 6HH

Registered Office

Castlebridge Office Village
Kirtley Drive
Castle Marina
Nottingham NG7 1LD

Registered No 07838968

Directors' report

The directors present their report and financial statements for the period ended 30 June 2012

Results and dividends

The loss for the period, after taxation, amounted to £729,000. The directors do not recommend a dividend.

Principal activities, review of the business and going concern

The company was incorporated on the 8 November 2011. Therefore these financial statements relate to an eight month period. The principal activity of the company is that of a holding and administration company for its trading subsidiaries, Super Efectivo SL ES and Sefina Finance AB.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is on the grounds that the ultimate parent undertaking has agreed to provide financial support to the company for at least one period following the signature date of these financial statements. Accordingly the directors continue to adopt a going concern basis in preparing the financial statements.

Directors

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

S Corepal	(appointed 5 March 2012)
E Erickson	(appointed 15 January 2013)
R Underwood	(appointed 8 November 2011)
R Hibberd	(appointed 8 November 2011)
J Weiss	(appointed 8 November 2011)

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 they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

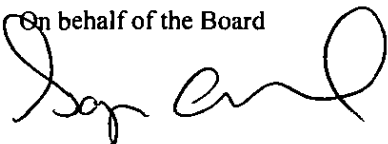
Auditors

Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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



S Corepal
Director

25 March 2013

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 period. 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 Dollar Financial Europe Limited

We have audited the financial statements of Dollar Financial Europe Limited for the period ended 30 June 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 11. 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 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 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 2012 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.

Independent auditors' report

to the members of Dollar Financial Europe 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 directors' report in accordance with the small companies exemption



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

26 MAR 2013

Profit and loss account

for the period ended 30 June 2012

	Notes	2012 £000
Administrative expenses		(729)
Operating loss	2	(729)
Loss on ordinary activities before tax		(729)
Tax	3	-
Loss for the financial period	9	(729)

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the period ended 30 June 2012

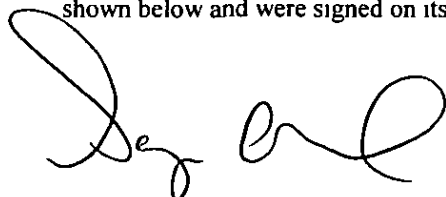
There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £729,000 for the period ended 30 June 2012

Balance sheet

at 30 June 2012

	Notes	2012 £000
Fixed assets		
Investments	4	<u>65,615</u>
Current liabilities		
Creditors amounts falling due within one year	5	<u>(15,000)</u>
Net current liabilities		(15,000)
Total assets less current liabilities		50,615
Creditors amounts falling due after more than one year	6	<u>(40,335)</u>
Net assets		<u>10,280</u>
Capital and reserves		
Called up share capital	8	11,009
Profit and loss account	9	<u>(729)</u>
Shareholders' funds	9	<u>10,280</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

25 March 2013

Notes to the financial statements

at 30 June 2012

1. Accounting policies

Basis of preparation

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

Group financial statements

The financial statements contain information about Dollar Financial Europe 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 the 30 June 2012, 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

Going concern

The financial statements are prepared on the going concern basis as the ultimate parent undertaking has agreed to provide funding to the company to enable it to meet its liabilities as they fall due for payment for a period of at least one year following the signature date of these financial statements

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

Investments

Investments held as fixed assets are stated at cost, less any provision for 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

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting and reduced by payments made in respect of the debts in the period

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

Classification of shares as debt or equity

When shares are issued, any component which creates a financial liability is presented as a liability in the balance sheet. The corresponding dividends are charged to the profit and loss account as interest. The company's 9.5% cumulative preference shares have been accounted for as a debt instrument

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

Notes to the financial statements

at 30 June 2012

1. Accounting policies (continued)

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

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

- 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

2. Operating loss

This is stated after charging

	<i>2012</i>
	<i>£000</i>
Foreign exchange losses	<u>729</u>

Audit fees have been borne by the company's ultimate parent undertaking in 2012

There are no other employees of the company except for the directors. The directors of the company are remunerated by other companies within the DFC Global Corp group. The directors consider that the level of their qualifying services provided to this company is inconsequential in 2012.

Notes to the financial statements

at 30 June 2012

3. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2012 £000
<i>Current tax.</i>	
UK corporation tax on the loss for the period	—
Total current tax (note 3(b))	—
<i>Deferred tax.</i>	
Origination and reversal of timing differences	—
Total deferred tax (note 3(c))	—
Tax on loss on ordinary activities	—

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

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 25.5%. The differences are explained below

	2012 £000
Loss on ordinary activities before tax	(729)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5%	(186)
<i>Effects of</i>	
Non taxable expenses	187
Group relief received for no payment	(1)
Current tax for the year (note 3(a))	—

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

(d) Factors affecting future tax charges

In a series of announcements since 2010, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 20% falling by 2% in 2012, 1% in 2013, 2% in 2014 and a further 1% in 2015. The first 1% reduction to 25% for 2012 was substantively enacted in July 2011 and the second 1% reduction to 24% for 2012 was substantively enacted on 26 March 2012. In accordance with accounting standards this 2% reduction has been reflected in the Company's financial statements for the period ended 30 June 2012. Further proposed changes will only be reflected once the reductions are substantively enacted.

Notes to the financial statements

at 30 June 2012

4. Investments

*Shares in
subsidiary
undertakings
£000*

Cost at incorporation	-
Additions	65,615
At 30 June 2012	<u>65,615</u>

On 11 November 2011, the company acquired 100% of the share capital of Sefina Finance AB from its immediate parent, Dollar Financial UK Limited. The consideration for this transaction comprised the issue of ordinary share capital of £11,009,000, preference share capital of £38,210,000 and an obligation to issue further ordinary shares of £9,911,000.

Super Efectivo SL ES was purchased on the 15 March 2012. The purchase price was € 6,931,000 with €2,000,000 deferred over four years.

Details of the subsidiary undertakings are set out below

<i>Name of company</i>	<i>Nature of business</i>	<i>Share Holding</i>	<i>Country of Incorporation</i>
Sefina Finance AB	Non trading parent undertaking	100%	Sweden
*Sefina Svensk Pantbelaning AB	Pawnbroker	100%	Sweden
*Helsingin Pantti Osakeyhtiö	Pawnbroker	100%	Sweden
*Riite Oy	Auction house	100%	Sweden
*Helsingin Huutokauppakamari Oy	Retail	100%	Sweden
Super Efectivo SL ES	Retail	100%	Spain

*Signifies that shares are held indirectly by Dollar Financial Europe Limited

5. Creditors: amounts falling due within one year

	<i>2012 £000</i>
Amounts due to group undertakings	4,739
Obligation to issue share capital (note 8)	9,911
Deferred consideration	<u>350</u>
	<u>15,000</u>

Notes to the financial statements

at 30 June 2012

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

	2012
	£000
Cumulative preference shares of CAD1 each – 62,243,239 (Note 7)	38,944
Deferred consideration	1,391
	<u>40,335</u>

7. Loans and other borrowings

Amounts falling due after more than five years

	2012
	£000
9 5% Cumulative preference shares of CAD1 each – 62,243,239	<u>38,944</u>

The 9 5% cumulative preference shares do not carry any voting rights. They were issued on incorporation of the company at CAD1 per share and are redeemable at CAD1. Shareholders are entitled to receive dividends at 9 5% per annum on a par value of these shares on a cumulative basis; these dividends are payable on the 30 June each year. On winding up the preference shareholders are entitled to receive CAD1 per share and any dividends accrued but unpaid in respect of their shares.

The cumulative preference share dividend of CAD 3,706,883 has not been accrued for at the period end due to there being insufficient distributable reserves.

The 9 5% cumulative preference shares, were issued at par on 11 November 2011 at a value of £38,210,000 to Dollar Financial UK Limited in exchange for the issued share capital of Sefina Finance AB group (note 4). These shares were retranslated at the year end exchange rate resulting in an exchange loss of £734,000 and the carrying value at the balance sheet date has been revised to £38,944,000.

8. Issued share capital

	2012
	No
	£000
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	11,008,507
	<u>11,009</u>

On 11 November 2011, 11,008,507 ordinary shares with an aggregate nominal value of £11,008,507 were issued at par to Dollar Financial UK Limited in exchange for the issued share capital in Sefina Finance AB group (note 4).

Potential issues of ordinary shares

During 2010, Dollar Financial UK Limited purchased the share capital of Sefina Finance AB. As part of this purchase, deferred consideration was payable by Dollar Financial UK Limited to the vendors of Sefina Finance AB.

As part of the acquisition of Sefina Finance AB by the company from Dollar Financial UK Limited, the company has entered into an agreement to issue 1 ordinary share at par of £1 to match the level of deferred consideration payable by Dollar Financial UK Limited.

Post period end, the deferred consideration was settled at £9,911,000 and the directors have therefore made provision to issue ordinary shares to this value.

Notes to the financial statements

at 30 June 2012

9. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
New share capital subscribed	11,009	–	11,009
Loss for the period	–	(729)	(729)
At 30 June 2012	<u>11,009</u>	<u>(729)</u>	<u>10,280</u>

Of the loss for the period, £734,000 relates to non-distributable foreign exchange losses on the retranslation of the CAD 9 5% cumulative preference shares

10. 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

11. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Dollar Financial UK Limited, a company incorporated in England and Wales

The largest and smallest group for which financial statements are drawn up which incorporate the results of Dollar Financial Europe 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 Dollar Financial Europe Limited, are available from 1436 Lancaster Avenue, Berwyn, Pennsylvania 19312