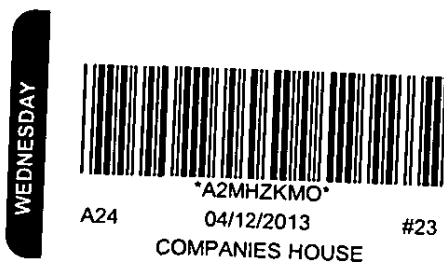


# Dollar Financial Europe Limited

## Report and Financial Statements

30 June 2013



**Directors**

S Corepal  
E Erickson  
P Fileccia  
N Miller  
M L Prior  
R Underwood  
J 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  
1 Royal Standard Place  
Nottingham  
NG1 6FZ

**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 year ended 30 June 2013. The comparative period relates to eight months to 30 June 2012.

### Results and dividends

The loss for the year, after taxation, amounted to £10,000 (2012 8 month period, loss of £729,000). The directors do not recommend a dividend (2012 – £nil).

### Principal activities, review of the business and going concern

The principal activity of the company is that of a holding and administration company for its trading subsidiaries, Super Efectivo SL ES, Sefina Finance AB and Dollar Finance Czech Republic s r o CR.

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 year 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 year and up to the date of this report are as follows:

S Corepal	
E Erickson	(appointed 15 January 2013)
P Fileccia	(appointed 25 April 2013)
R Hibberd	(resigned 24 April 2013)
N Miller	(appointed 21 June 2013)
M L Prior	(appointed 25 April 2013)
K Schwenke	(appointed 25 April 2013, resigned 21 June 2013)
R Underwood	
J Weiss	(appointed 8 November 2012)

### 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

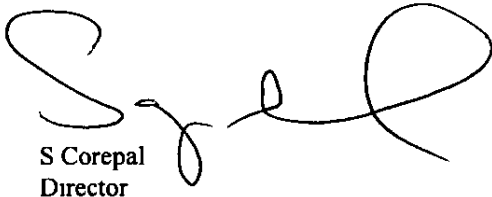
Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

## 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



S Corepal  
Director

28 November 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 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 year. 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 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 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 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 (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 2013 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 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

A handwritten signature in black ink, appearing to read 'P. Wallace'.

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

28 NOV 2013

## Profit and loss account

for the year ended 30 June 2013

	Notes	2013 £000	2012 £000
Administrative expenses		(10)	(729)
<b>Operating loss</b>	2	(10)	(729)
<b>Loss on ordinary activities before tax</b>		(10)	(729)
Tax	3	-	-
<b>Loss for the financial year</b>	9	(10)	(729)

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 loss attributable to the shareholders of the company of £10,000 for the year ended 30 June 2013 (2012 – loss of £729,000)



## Balance sheet

at 30 June 2013

	Notes	2013 £000	2012 £000
<b>Fixed assets</b>			
Investments	4	<u>65,692</u>	<u>65,615</u>
 Creditors amounts falling due within one year	5	<u>(15,582)</u>	<u>(15,000)</u>
<b>Net current liabilities</b>		<u>(15,582)</u>	<u>(15,000)</u>
<b>Total assets less current liabilities</b>		50,110	50,615
 Creditors amounts falling due after more than one year	6	<u>(39,840)</u>	<u>(40,335)</u>
<b>Net assets</b>		<u>10,270</u>	<u>10,280</u>
 <b>Capital and reserves</b>			
Called up share capital	8	11,009	11,009
Profit and loss account	9	<u>(739)</u>	<u>(729)</u>
<b>Shareholders' funds</b>	9	<u>10,270</u>	<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

28 November 2013

## 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

#### ***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 2013, 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 period and reduced by payments made in the year

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 9.25% 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 2013

### 1 Accounting policies (continued)

#### *Tax*

The charge 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 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 years 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

	2013	2012
	£000	£000
Foreign exchange loss	10	729

Audit fees have been borne by the company's ultimate parent undertaking in 2012 and 2013

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 and 2013.

## Notes to the financial statements

at 30 June 2013

### 3. Tax

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

The tax charge is made up as follows

	2013 £000	2012 £000
<b>Current tax:</b>		
UK corporation tax on the loss for the year	—	—
Total current tax (note 3(b))	—	—
<b>Deferred tax:</b>		
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 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 £000	2012 £000
Loss on ordinary activities before tax	(10)	(729)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%)	(2)	(186)
<i>Effects of</i>		
Non-taxable (income)/expenses	(2)	187
Group relief surrendered/(received) for no payment	4	(1)
Current tax for the year (note 3(a))	—	—

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

## Notes to the financial statements

at 30 June 2013

### 4. Investments

	<i>Shares in subsidiary undertakings £000</i>
Cost	
At 1 July 2012	65,615
Additional consideration on prior year acquisitions	67
Additions	10
At 30 June 2013	<u>65,692</u>

Dollar Financial Czech Republic s r o CR was incorporated on 15 June 2012, the costs of investment of £7,000 included within these financial statements relate to the costs of incorporating Dollar Financial Czech Republic s r o CR

Suttons & Robertsons Spain S L was incorporated on 1 March 2013, the costs of investment of €3,000 included within these financial statements relate to the costs of incorporating Suttons & Robertsons Spain S L

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 Osakeyhtio	Pawnbroker	100%	Sweden
*Riate Oy	Auction house	100%	Sweden
*Helsingin Huutokauppakamari Oy	Retail	100%	Sweden
Super Efectivo SL ES	Retail	100%	Spain
Suttons & Robertsons Spain S L	Pawnbroker	100%	Spain
Dollar Financial Czech Republic s r o CR	Retail	90%	Czech Republic

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

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

	<i>2013 £000</i>	<i>2012 £000</i>
Amounts due to group undertakings	5,184	4,739
Obligation to issue share capital (note 8)	9,832	9,911
Deferred consideration	566	350
	<u>15,582</u>	<u>15,000</u>

## Notes to the financial statements

at 30 June 2013

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

	2013 £000	2012 £000
Cumulative preference shares of CAD1 each – 62,243,239 (Note 7)	38,935	38,944
Deferred consideration	905	1,391
	<u>39,840</u>	<u>40,335</u>

### 7. Loans and other borrowings

Amounts falling due after more than five years

	2013 £000	2012 £000
9 25% Cumulative preference shares of CAD1 each – 62,243,239	<u>38,935</u>	<u>38,944</u>

The 9 25% 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 25% 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 5,757,500 for 2013 (2012 CAD 3,706,883) has not been accrued for at the year end due to there being insufficient distributable reserves. The total preference share dividend not accrued as at 30 June 2013 is CAD 9,464,383.

The 9 25% cumulative preference shares were issued at par on 11 November 2011 at a value of £38,210,000. These shares were retranslated at the year end exchange rate resulting in an exchange gain of £9,000 (2012 exchange loss of £734,000) and the carrying value at the balance sheet date has been revised to £38,935,000 (2012 £38,944,000).

### 8. Issued share capital

		2013 £000		2012 £000
<i>Allotted, called up and fully paid</i>	<i>No</i>		<i>No</i>	
Ordinary shares of £1 each	11,008,507	<u>11,009</u>	11,008,507	<u>11,009</u>

#### **Issue of ordinary shares**

During 2011, 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.

During 2013, the deferred consideration was settled at £9,832,000 and the directors have therefore made provision to issue ordinary shares to this value. These ordinary shares were allotted and registered with Companies House in September 2013. 7,596,038 ordinary shares were issued on 11 September 2013 and 2,235,504 ordinary shares were issued on 13 September 2013.

## Notes to the financial statements

at 30 June 2013

### 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 1 July 2012	11,009	(729)	10,280
Loss for the year	–	(10)	(10)
At 30 June 2013	11,009	(739)	10,270

Of the loss for the year, £9,000 relates to non-distributable foreign exchange profits 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