Registered Number: 07838968

Aurajoki Europe Limited

Annual Report and Financial Statements

for the year ended 30 June 2019

Directors and company information

Directors

J Ashley
G Lo
J Sutton

Auditor

BDO LLP
Statutory Auditor
150 Aldersgate
Barbican
London
EC1A 4AB

Bankers

The Royal Bank of Scotland
Corporate Banking
East Midlands
PO Box 7895
6th Floor
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Solicitors

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Water Court
116 – 118 Canal Street
Nottingham
NG1 7HF

Registered Office

Unit 1
Castle Marina Road
Nottingham
United Kingdom
NG7 1TN

Strategic Report for the year ended 30 June 2019

The directors present their Strategic Report for Aurajoki Europe Limited (the "Company") for the year ended 30 June 2019.

Principal activities

The principal activity of the Company is that of a holding and administration company for its trading subsidiaries.

Business review

The results for the year are set out on page 10. The loss for the year after tax amounted to £29,241,000 (2018: loss of £32,418,000). The loss includes a charge for the impairment of the carrying value of fixed asset investments of £7,875,000 (2018: £25,615,000).

Key performance indicators (KPIs)

As the Company is not a trading company, there are no KPIs used by management to review its performance.

Principal risks and uncertainties

The main risks arising from the Company's activities are liquidity risk, credit risk, cash flow risk and regulatory risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient resources to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by managing the cash generation of its operations through the utilisation of the Treasury department to ensure that cash holdings are invested effectively.

Credit risk

Credit risk is the risk of financial loss to the Company due to a counterparty's failure to honour its financial obligations and arises as the Company provides loans to other group companies. The Company mitigates the risk by assessing the likelihood of the borrower defaulting, taking in to account a variety of factors such as the financial position of the potential borrower, and refusing to lend if the risk of default is too high.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows and mitigate the risk.

Strategic Report for the year ended 30 June 2019 (continued)

Regulatory risk

The subsidiaries of the Company operate in a number of geographies and are regulated in the respective country by the following governing bodies and laws:

- Finland – The Finnish Competition and Consumer Authority
- Sweden – Swedish Financial Supervisory Authority
- Poland – Financial Supervisory Commission
- Spain – Consumer Credit Contracts Law
- UK – Financial Conduct Authority

The risk is that the subsidiaries fail to comply with the regulatory requirements, and suffers detrimental consequences of those failures.

The Company is able to manage the risk by:

- having an experienced local management in regulated businesses;
- a dedicated Compliance function; and
- well-developed procedures, training, systems and operational controls.

Future developments

The directors expect the general level of activity to remain consistent as present in the forthcoming year. This is as a result of there being no expected changes to the level of finance provided.

This report was approved by the board of directors and signed on its behalf by:

J Sutton Joshua Sutton
Director

Date: 30 March 2020

Address of registered office:
Unit 1
Castle Marina Road
Nottingham
United Kingdom
NG7 1TN

Directors' Report

The directors present their Annual Report and the audited financial statements of Aurajoki Europe Limited (the "Company") for the year ended 30 June 2019.

Directors and directors' interests

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

J Ashley	
T Deakin	(resigned 1 December 2018)
J Staadecker	(resigned 6 September 2019)
G Lo	(appointed 6 September 2019)
J Sutton	(appointed 18 November 2019)
P Roever	(appointed 24 April 2019, resigned 13 November 2019)

The directors have no declarable interest in the shares of the Company or of any other group company.

Disclosure of information to the auditor

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution to re-appoint BDO LLP as auditor of the Company will be proposed at the Company's Annual General Meeting.

Directors' indemnities

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force at the date of approval of the directors' report and financial statements.

Financial risk management objectives and policies

Details of financial risk management policies can be found under the heading 'Principal risks and uncertainties' in the Strategic Report, which is presented on page 2 and form part of this report by cross-reference.

Dividends

The directors do not recommend the payment of a dividend (2018: £nil).

Future developments and events since the balance sheet date

The directors expect the general level of activity to remain consistent as present in the forthcoming year. This is as a result of there being no expected changes to the level of finance provided.

Directors' Report (continued)

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by shareholders holding in aggregate 5% or more of the total allocated shares in the Company. They should be served no later than 30 June 2020.

Going concern

The outlook for the European economy, and the Company, has changed significantly in the first quarter of 2020 due to the spread of Covid-19 and the impact of the associated mitigation and suppression actions by governments around the world. The full impact of these events and the impact on the Company and the Company's underlying trading Companies is not yet known. Given the Company's strong net asset position, the directors are confident of its ability to continue to on a going concern basis.

On behalf of the Board

J Sutton Joshua Sutton
Director

Date: 30 March 2020

Address of registered office:
Unit 1
Castle Marina Road
Nottingham
United Kingdom
NG7 1TN

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), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 accounting 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 AUDITOR'S REPORT TO MEMBERS OF AURAJOKI EUROPE LIMITED

Opinion

We have audited the financial statements of Aurajoki Europe Limited ("the Company") for the year ended 30 June 2019 which comprise the statement of comprehensive income, the balance sheet and the statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Dan Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 31 March 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income

for the year ended 30 June 2019

	Note	2019 £'000	2018 £'000
Turnover		-	992
Fair value movement of intercompany debtor		(11,249)	820
Administrative expenses		(18,288)	(35,139)
Operating loss		(29,537)	(33,327)
Interest receivable and similar income		1,619	1,386
Interest payable and similar charges		(1,323)	(477)
Loss on ordinary activities before tax		(29,241)	(32,418)
Tax on ordinary activities	4	-	-
Loss and total comprehensive income for the financial year, attributable to the equity shareholders of the Company		(29,241)	(32,418)

The loss shown above is derived from continuing operations.

The accompanying notes on pages 13 to 23 are an integral part of these financial statements.

Balance sheet

as at 30 June 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Investments	5	52,690	60,565
Non-current assets			
Amounts due from group undertakings after one year	6	-	11,127
Current assets			
Debtors	6	18,379	30,728
Cash at bank		238	117
		18,617	30,845
Current liabilities			
Creditors: amounts falling due within one year	7	(13,694)	(15,683)
Net current assets/(liabilities)		4,923	15,162
Net assets		57,613	86,854
Called up share capital and reserves			
Called up share capital	9	67,064	67,064
Share premium		118,371	118,371
Capital contribution		21,925	21,925
Profit and loss account		(149,747)	(120,506)
Total Shareholders' funds		57,613	86,854

The 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:

J Sutton
Director
Joshua Sutton

Date: 30 March 2020

The accompanying notes on pages 13 to 23 are an integral part of these financial statements.

Statement of changes in equity

as at 30 June 2019

	Called up share capital	Share premium	Capital Contribution	Profit and loss account	**Total shareholders' funds**
	£'000	£'000	£'000	£'000	**£'000**
At 1 July 2017	67,064	87,626	21,925	(88,088)	**88,527**
Issued share capital	-	30,745	-	-	**30,745**
Total Comprehensive loss for the year	-	-	-	(32,418)	**(32,418)**
At 30 June 2018	67,064	118,371	21,925	(120,506)	**86,854**
Issued share capital	-	-	-	-	**-**
Total Comprehensive loss for the year	-	-	-	(29,241)	**(29,241)**
At 30 June 2019	**67,064**	**118,371**	**21,925**	**(149,747)**	**57,613**

Notes to the financial statements

for the year ended 30 June 2019

1. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Basis of preparation

Aurajoki Europe Limited is a private limited company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report which is presented on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

Going concern

The outlook for the European economy, and the Company, has changed significantly in the first quarter of 2020 due to the spread of Covid-19 and the impact of the associated mitigation and suppression actions by governments around the world. The full impact of these events and the impact on the Company and the Company's underlying trading Companies is not yet known. Given the Company's strong net asset position, the directors are confident of its ability to continue to on a going concern basis.

Functional currency

The financial statements are presented in pounds sterling which is considered to be the Company's functional currency because that is the currency of the primary economic environment in which the Company operates. The amounts presented in the financial statements are rounded to the nearest thousand.

Group financial statements

The Company has taken advantage of the exemption to not 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 Aurajoki Holdings UK Limited drawn up to the 30 June 2019; and
- that the group financial statements of Aurajoki Holdings UK Limited are drawn up in a manner equivalent to group financial statements drawn up in accordance with the provisions of the Seventh Directive.

Consequently, the financial statements only contain information about Aurajoki Europe Limited as an individual company and do not contain group financial information as the parent of a group. Copies of the group financial statements, which include the results of the Company, are available from Companies House, Crown Way, Cardiff CF14 3UZ.

Cash flow statement

The Company is exempt from the requirements of section 7 of FRS 102 and therefore has not prepared a cash flow statement. Its results are included within the group financial statements of its parent undertaking, Aurajoki Holdings UK Limited, and these financial statements, which include the results of the Company, are available from Companies House, Crown Way, Cardiff CF14 3UZ.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

1. Significant accounting policies (continued)

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. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency using the spot exchange rate on the date of the transaction.

Tax

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Turnover

Management fees charged to fellow Group companies are recognised during the period the service is rendered and measured at the fair value of the consideration received or receivable.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

1. Significant accounting policies (continued)

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the criteria, as laid out in FRS 102 section 11.9, are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria, as laid out in FRS 102 section 11.9, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of any impairment.

Debt instruments which do not meet the criteria, as laid out in FRS 102 section 11.9, are measured at fair value through profit and loss.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

2. Critical judgement in applying the accounting policies

Key source of estimation uncertainty – fair value of non-current intercompany debtor

The intercompany debtor qualifies as a non-basic financial instrument in accordance Section 11 of FRS 102. The debtor is therefore measured at fair value.

Management reviewed the financial position of the debtor and it was determined that the prudent approach was that balance of the loan should be provided for due to the likelihood of the debtor not being able to repay.

Key source of estimation uncertainty – impairment of investments

Determining whether investments are impaired requires a comparison between the current book value of the investment and the estimated recoverable amount.

An impairment of £7,875,000 based on the valuation is required by management as at 30 June 2019 (2018: £25,615,000).

3. Operating loss

This is stated after charging:

	2019 **£'000**	2018 £'000
Impairment of investment (note 5)	**7,875**	25,615
Staff costs (note 8)	**62**	896
Foreign exchange loss/(gain)	**(331)**	585

The Company's audit fee of £35,000 for the current year (2018: £35,000) is payable to BDO LLP. Non-audit services provided to the Company are £nil for the current year as well as for the previous year.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

4. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2019 £'000	2018 £'000
Current tax:		
UK corporation tax on the loss for the year	-	-
Total current tax (note 4(b))	-	-
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 19.0% (2018: 19%). The differences are explained below:

	2019 £'000	2018 £'000
Loss on ordinary activities before tax	(29,241)	(32,418)
Loss on ordinary activities multiplied by standard rate of Corporation tax in the UK of 19.0% (2018: 19%).	(5,556)	(6,159)
Effects of:		
Permanent disallowable items	5,910	265
Impairment of investments	-	4,867
Impairment of inter-company loans	-	1,494
Group relief surrendered for no payment	(312)	(467)
Transfer pricing adjustments	(42)	-
Total tax expenses for the year (note 4(a))	-	-

(c) There is no provided or un-provided deferred tax as at 30 June 2019 or 30 June 2018.

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the Company's future tax charge.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

5. Investments

	Shares in subsidiary undertaking £000
Cost:	
At 1 July 2017	42,467
Increase in investments	43,713
Impairment	(25,615)
At 30 June 2018	60,565
Impairment	(7,875)
At 30 June 2019	**52,690**

An impairment of £7,875,000 based on the valuation is required by management as at 30 June 2019 (2018: £25,615,000).

Details of the subsidiary undertakings are set out below, all shares held in these subsidiaries are ordinary shares:

Name of company	Nature of business	Share Holding	Country of Incorporation	Registered office address
*Sefina Svensk Pantbelaning AB	Pawnbroker	100%	Sweden	St:Göransgatan 66, Stockholm
*Risicum Capital Sweded AB	Online lender	100%	Sweden	St:Göransgatan 66, Stockholm
*Helsingin Pantti Osakeyhtio	Pawnbroker	100%	Finland	Helsinginkatu 1, 00500 Helsinki
Aurajoki Nordic Group OY	Non trading parent undertaking	100%	Finland	Helsinginkatu 1, 00500 Helsinki
Aurajoki Nordic Oyi	Online lender	100%	Finland	Yliopistonkatu 29 b A, 20100 Turku
Super Efectivo SL	Retail	100%	Spain	Calle Hernani 45, 28020 Madrid
Cash Centres Corporation Ltd	Dormant	100%	UK	Cardinal House, Abbeyfield Road Nottingham NG7 2SZ
*Cash Centres Ltd	Dormant	100%	UK	Cardinal House, Abbeyfield Road Nottingham NG7 2SZ
Aurajoki Romania Holdings Ltd	Non trading parent undertaking	100%	UK	Cardinal House, Abbeyfield Road Nottingham NG7 2SZ
Optima Sp z.o.o	Consumer loans	100%	Poland	Grunwaldzka 82, 80-244 Gdarisk
OK Money Poland Sp. Z.o.o	Dormant	100%	Poland	Grunwaldzka 82, 80-244 Gdarisk
*Aurajoki Sub Ltd S.R.I	Non trading parent undertaking	100%	Romania	133 Calea Şerban Voda, Central Business Park, Building A, Section A.2.16, 2nd floor, District 4, Bucharest, Romania
*Express Credit Amanet S.R.L	Pawnbroker	100%	Romania	IAŞI, str. Silvestru, nr. 21, bloc L1, ground floor and mezzanine floor, Iaşi County, Romania
*Express Exchange S.R.L	Express Union Money Transfers	100%	Romania	IAŞI, str. Silvestru, nr. 21, bloc L1, ground floor and mezzanine floor, Iaşi County, Romania

*Signifies that shares are held indirectly by Aurajoki Europe Limited, as the companies are owned by direct, wholly owned, subsidiaries of Aurajoki Europe Limited.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

6. Debtors

	2019 £'000	2018 £'000
Amounts due from group undertakings after more than one year	**-**	11,127
	-	11,127

	Rate %	**2019 £'000**	Rate %	2018 £'000
Super Efectivo S.L	**9.25**	**-**	9.25	11,127

	2019 £'000	2018 £'000
Amounts due from group undertakings within one year	**18,372**	30,719
Other debtors	**7**	9
	18,379	30,728

Included within amounts due from group undertakings are the following balances which bear interest at the rates shown:

	Rate %	**2019 £'000**	Rate %	2018 £'000
Beauly Financial Services Limited	**9**	**516**	-	-
Aurajoki Nordic OY	**9.25**	**16,932**	9.25	18,243
Super Efectivo S.L	**9.25**	**91**	-	-

Furthermore, also within amounts due from group undertakings, there are the following trading balances, which are repayable on demand, and where no interest is being charged:

	2019 £'000	2018 £'000
Cash Centres Corporation Limited	**-**	8,421
Optima SL	**30**	7
Helsingin Pantti Oy	**31**	50
Beauly Financial Services Limited	**35**	18
Aurajoki Nordic OY	**407**	226
Sefina Svensk	**55**	2,690
Risicum Capital Sweden	**188**	103
Super Efectivo	**66**	961
Express Credit Amanet SRL	**20**	-

Notes to the financial statements

for the year ended 30 June 2019 (continued)

7. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts due to group undertakings	**13,041**	14,948
Other creditors and accruals	**42**	147
Deferred consideration	**611**	588
	13,694	15,683

Included within amounts due to group undertakings are the following balances which bear interest at the rates shown:

	Rate %	2019 £'000	Rate %	2018 £'000
Super Efectivo	**9.25**	**246**	9.25	219
Express Credit Amanet	**9.25**	**433**	9.25	390
Aurajoki Holdings UK Limited	**9**	**5,757**	9	14,339
Optima SA	**9**	**4,661**	-	-
Instant Cash Loans Limited	**9**	**1,265**	-	-

Furthermore, also within amounts due to group undertakings, there are the following trading balances, which are repayable on demand, and where no interest is being charged:

	2019 £'000	2018 £'000
Aurajoki Holdings UK Limited	**679**	-

8. Staff costs

	2019 £'000	2018 £'000
Wages and salaries	**53**	769
Social security costs	**7**	106
Other pension costs	**2**	21
	62	896

The monthly average number of employees during the year, including directors, was as follows:

	2019 No.	2018 No.
Administration	**-**	3
	-	3

Notes to the financial statements

for the year ended 30 June 2019 (continued)

9. Directors' remuneration

	2019 £'000	2018 £'000
Aggregate emoluments in respect of qualifying services	**-**	1,365

Payments of £nil were made to directors' as compensation for loss of office during the year ended 30 June 2019 (2018: £122,000).

	2019 No.	2018 No.
Members of money purchase pension schemes	**-**	1

Throughout the year ended 30 June 2019 there were no directors who were a member of the money purchase scheme (2018: 1 director).

Highest paid director:

	2019 £'000	2018 £'000
Emoluments	**-**	1,340
Value of company pension contributions to money purchase schemes	**-**	7

For the directors of the Company remunerated by fellow group undertakings, the directors consider that the level of their qualifying services provided to the Company is inconsequential to their wider group role.

10. Called up share capital and reserves

Ordinary shares

Authorised, allotted and fully paid:	**2019 £'000**	2018 £'000
6,706,356,007 (2018: 6,706,356,007) ordinary shares of 1p each	**67,064**	67,064
	67,064	67,064

The Company's other reserves are as follows:

- The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.
- The capital contribution relates to the reclassification of a portion of the preference share liability to equity.
- The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments relating to the equity component of preference shares.

Notes to the financial statements

for the year ended 30 June 2019 (continued)

11. Financial instruments

The Company manages its capital to ensure that the Company has sufficient capital resources to continue as a going concern. The capital structure of the Company consists of debt, which are the borrowings from the parent, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Statement of changes in equity on page 12.

The Company's activities expose it to a number of financial risks and uncertainties; primarily credit risk, liquidity risk, market risk, interest rate risk, business risk, operational risk and regulatory risk. For detailed information on each of these risks refer to the Strategic Report on page 2.

Carrying values by categories of financial instrument as at 30 June are as follows:

	2019	2018
	£'000	£'000
Financial assets held at amortised cost		
Cash	**238**	117
Investments	**52,690**	60,565
Total	**52,928**	60,682
Financial assets – loans and receivables		
Amounts due from group undertakings	**18,372**	41,846
Other debtors	**7**	9
Total	**18,379**	41,855

	2019	2018
	£'000	£'000
Financial liabilities held at amortised cost		
Amounts owed to group undertakings	**13,041**	14,948
Trade and other payables	**42**	147
Deferred consideration	**611**	588
Total	**13,694**	15,683

Notes to the financial statements

for the year ended 30 June 2019 (continued)

11. Financial instruments (continued)

Maximum credit exposure for each of the above is same as the amounts disclosed.

The Company's maturity analysis of its liabilities as at the year end are summarised as follows:

	Not more than 3 months	More than 3 months but not more than one year	More than one year but not more than 5 years	Total
At 30 June 2019:	**£'000**	**£'000**	**£'000**	**£'000**
Amounts owed to group	13,041	-	-	13,041
Trade and other payables	42	-	-	42
Deferred consideration	611	-	-	611
Total	**13,694**	**-**	**-**	**13,694**

	Not more than 3 months	More than 3 months but not more than one year	More than one year but not more than 5 years	Total
At 30 June 2018:	**£'000**	**£'000**	**£'000**	**£'000**
Amounts owed to group	14,729	219	-	14,948
Trade and other payables	147	-	-	147
Deferred consideration	-	588	-	588
Total	**14,876**	**807**	**-**	**15,683**

12. Related party transactions

The Company is a wholly owned subsidiary of Aurajoki Holdings UK Limited, the group financial statements of which are publicly available.

Accordingly, the Company has taken advantage of the exemption in Section 33 of FRS 102 from disclosing transactions with 100% members or investees of the Aurajoki Holdings UK Limited group.

13. Ultimate parent undertaking and controlling party

On 27 February 2018, the Company was acquired by Aurajoki Holdings UK Limited, a company incorporated in England and Wales.

The largest and smallest group for which financial statements are drawn up which incorporate the financial statements of the Company is that headed by Aurajoki Holdings UK Limited. Copies of the group financial statements, which include the results of the Company, are available from Companies House, Crown Way, Cardiff CF14 3UZ.

14. Subsequent events

The directors expect the general level of activity to remain consistent as present in the forthcoming year. This is as a result of there being no expected changes to the level of finance provided.