

NATIONAL CASH ADVANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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NATIONAL CASH ADVANCE LIMITED

COMPANY INFORMATION

Directors	K E Compton (resigned 28/2/2011) T B Biggerstaff M J Ascroft J P O'Shaughnessy (appointed 11/5/2011)
Company secretary	P&P Secretaries Limited
Company number	06182743
Registered office	123 Deansgate Manchester M3 2 BU
Auditors	PKF (UK) LLP 3 Hardman Street Spinningfields Manchester M3 3HF

NATIONAL CASH ADVANCE LIMITED

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NATIONAL CASH ADVANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company is that of cheque encashment and unsecured and secured lending, including money transfers and foreign exchange services

Directors

The directors who served during the year were

K E Compton (resigned 28/2/2011)
T B Biggerstaff
M J Ascroft
J P O'Shaughnessy (appointed 11/5/2011)

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor are aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 29 September 2011 and signed on its behalf



M J Ascroft
Director

NATIONAL CASH ADVANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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 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,
- 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.

NATIONAL CASH ADVANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL CASH ADVANCE LIMITED

We have audited the financial statements of National Cash Advance Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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 directors' responsibilities statement, 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 annual report 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 financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 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.

NATIONAL CASH ADVANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL CASH ADVANCE 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 take advantage of small companies exemptions in preparing the directors' report

PKF (UK) LLP

Donald Bancroft (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
Manchester, UK

Date *30 September 2011*

NATIONAL CASH ADVANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 £	2009 £
TURNOVER	1,2	2,734,098	1,360,809
Administrative expenses		(4,501,666)	(3,322,681)
Exceptional administrative expenses		-	(458,602)
Total administrative expenses		(4,501,666)	(3,781,283)
OPERATING LOSS	3	(1,767,568)	(2,420,474)
EXCEPTIONAL ITEMS			
Other exceptional items		-	477,229
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(1,767,568)	(1,943,245)
Income from shares in group undertakings		500,000	-
Interest receivable and similar income		11,075	8,504
Interest payable and similar charges		-	(3,766)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,256,493)	(1,938,507)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR	15	(1,256,493)	(1,938,507)

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

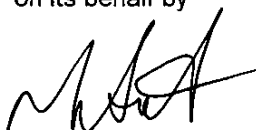
The notes on pages 7 to 14 form part of these financial statements

NATIONAL CASH ADVANCE LIMITED
REGISTERED NUMBER: 06182743

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Intangible assets	8		1,645,201		1,737,899
Tangible assets	9		749,855		812,535
Investments	10		557,002		557,002
			<u>2,952,058</u>		<u>3,107,436</u>
CURRENT ASSETS					
Debtors	11	2,960,791		1,252,841	
Cash at bank and in hand		1,160,393		642,499	
		<u>4,121,184</u>		<u>1,895,340</u>	
CREDITORS: amounts falling due within one year	12	(5,809,378)		(4,482,419)	
NET CURRENT LIABILITIES			<u>(1,688,194)</u>		<u>(2,587,079)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,263,864</u>		<u>520,357</u>
CAPITAL AND RESERVES					
Called up share capital	14		6,818,960		4,818,960
Profit and loss account	15		(5,555,096)		(4,298,603)
SHAREHOLDERS' FUNDS	16		<u>1,263,864</u>		<u>520,357</u>

The financial statements were approved and authorised for issue by the board on 29 September 2011 and were signed on its behalf by



M J Ascroft
Director

The notes on pages 7 to 14 form part of these financial statements

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The accounts have been presented on the going concern basis that assumes that the company will continue to be able to meet liabilities as they fall due. In adopting the going concern basis the directors have considered the financial support available to the company from the immediate and ultimate parent entity who continue to make funds available to the company.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

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

Interest receivable on secured and unsecured loans is recognised on an accruals basis over the life of the loan.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	5% straight line
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1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Assets under construction	-	20% straight line
Leasehold Improvement	-	20% straight line
Computer equipment	-	33% reducing balance
Other fixed assets	-	20% straight line

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

2. TURNOVER

The turnover is attributable to the principal activities of cheque encashment and unsecured and secured lending, including money transfer and foreign exchange services

All turnover arose within the United Kingdom

3. OPERATING LOSS

The operating loss is stated after charging

	2010 £	2009 £
Amortisation - intangible fixed assets	92,698	92,698
Depreciation of tangible fixed assets		
- owned by the company	224,151	193,738
Operating lease rentals		
- other operating leases	380,403	330,815
Exceptional administrative expenses	-	458,602

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

4. AUDITORS' REMUNERATION

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	11,500	12,500
Fees payable to the company's auditor and its associates in respect of		
All other services	-	2,257
	<u> </u>	<u> </u>

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	1,400,593	1,254,456
Social security costs	130,926	116,124
	<u>1,531,519</u>	<u>1,370,580</u>

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

	2010 No.	2009 No.
Head office staff	14	13
Centre staff	43	37
	<u>57</u>	<u>50</u>

6. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	115,624	112,784
	<u> </u>	<u> </u>

7. TAXATION

	2010 £	2009 £
UK corporation tax charge on loss for the year	-	-
	<u> </u>	<u> </u>

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 30%) The differences are explained below

	2010 £	2009 £
Loss on ordinary activities before tax	<u>(1,256,493)</u>	<u>(1,938,507)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 30%)	(351,818)	(581,552)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	221,550
Group relief	86,214	84,536
Tax losses carried forward	405,604	275,466
Dividends from UK companies	(140,000)	-
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

8 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2010 and 31 December 2010	<u>1,853,697</u>
Amortisation	
At 1 January 2010	115,798
Charge for the year	92,698
	<u>208,496</u>
At 31 December 2010	
Net book value	
At 31 December 2010	<u>1,645,201</u>
At 31 December 2009	<u>1,737,899</u>

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

9. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Other fixed assets £	Total £
Cost			
At 1 January 2010	184,280	880,804	1,065,084
Additions	10,682	150,789	161,471
At 31 December 2010	<u>194,962</u>	<u>1,031,593</u>	<u>1,226,555</u>
Depreciation			
At 1 January 2010	42,801	209,748	252,549
Charge for the year	37,710	186,441	224,151
At 31 December 2010	<u>80,511</u>	<u>396,189</u>	<u>476,700</u>
Net book value			
At 31 December 2010	<u>114,451</u>	<u>635,404</u>	<u>749,855</u>
At 31 December 2009	<u>141,479</u>	<u>671,056</u>	<u>812,535</u>

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2010 and 31 December 2010	<u>1,547,083</u>
Impairment	
At 1 January 2010 and 31 December 2010	<u>990,081</u>
Net book value	
At 31 December 2010	<u>557,002</u>
At 31 December 2009	<u>557,002</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Cashmart (Southend) Limited	Ordinary	100 %
Cash For Cheques Limited	Ordinary	100 %
Golden G Limited	Ordinary	100 %
Brightfield Securities Limited	Ordinary	100 %

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

11. DEBTORS

	2010 £	2009 £
Trade debtors	2,335,423	760,077
Amounts owed by group undertakings	6,197	10,841
Other debtors	363,992	277,079
Prepayments and accrued income	255,179	204,844
	<u>2,960,791</u>	<u>1,252,841</u>

12. CREDITORS

Amounts falling due within one year

	2010 £	2009 £
Trade creditors	186,625	111,987
Amounts owed to group undertakings	5,359,192	4,164,772
Corporation tax	-	8,844
Social security and other taxes	36,941	31,818
Other creditors	10,013	9,285
Accruals and deferred income	216,607	155,713
	<u>5,809,378</u>	<u>4,482,419</u>

13. DEFERRED TAXATION

	2010 £	2009 £
At beginning and end of year	<u>-</u>	<u>-</u>

A deferred tax asset in the amount of £1,176,403 (2009 £624,924) has not been recognised in the accounts. The amount represents losses available for offset against any future trading periods.

14. SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
6,818,960 (2009 - 4,818,960) Ordinary shares of £1 each	<u>6,818,960</u>	<u>4,818,960</u>

On 20 December 2010, 2,000,000 ordinary shares were issued with an aggregate nominal value of £2,000,000, for cash consideration of £2,000,000.

NATIONAL CASH ADVANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

15. RESERVES

	Profit and loss account £
At 1 January 2010	(4,298,603)
Loss for the year	(1,256,493)
At 31 December 2010	<u>(5,555,096)</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	520,357	458,864
Loss for the year	(1,256,493)	(1,938,507)
Shares issued during the year	2,000,000	2,000,000
Closing shareholders' funds	<u>1,263,864</u>	<u>520,357</u>

17. OPERATING LEASE COMMITMENTS

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2010 £	2009 £	2010 £	Other 2009 £
Expiry date:				
Within 1 year	43,570	24,380	13,080	18,500
Between 2 and 5 years	181,878	212,116	-	-
After more than 5 years	71,581	83,831	-	-

18. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of NCA Holdings Limited, a company incorporated in England and Wales, which is a wholly owned subsidiary of Advance America, Cash Advance Centers, Inc

The company has taken advantage of the exemption in FRS 8 from disclosing related party transactions with eligible group companies

NATIONAL CASH ADVANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is NCA Holdings Limited, a wholly owned subsidiary of Advance America, Cash Advance Centers, Inc, a company incorporated in the United States of America

Consolidated accounts will be prepared by Advance America, Cash Advance Centers Inc, which are publicly available from 135 North Church Street, Spartanburg, South Carolina, USA, 29306

The largest and smallest group for which financial statements are drawn up which incorporate the results of National Cash Advance Limited is that headed by Advance America, Cash Advance Centers, Inc, a company incorporated in the United States of America