
Cash Store
UNITED KINGDOM

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Executive Summary

With 20 branches now operating in the United Kingdom Cash Store Financial has established a base of operations for a controlled expansion into that market.

Management believes that this expansion is critical to long-term Company growth. A successful expansion will mitigate risks associated with rate compression in Canada and provide additional revenue to offset market fluctuations in the Canadian market.

The United Kingdom exhibits similar demographic and consumer behavioural trends to Canada. Established global operators have identified the U.K. as a growth market and have executed profitable entries. From a regulatory perspective the market at present is more favourable than Canada and the U.S. With no immediate threat of rate compression present, the U.K. offers an excellent platform for the geographic diversification of revenue.

When measured on the basis of branches per population, the U.K. market remains significantly underpenetrated. Winners in this market will be those that have the capacity to secure a market footprint now in advance of competitors that are either contemplating or have commenced similar entries.

We have been testing the market since September 2008. There are now 20 branches operating in 10 cities, with staff a complement of 130. Initial indicators suggest that successful branches can achieve profitability within three months. Growing at 7 to 8 branches per month, management anticipates that positive earnings will outpace drag from new branches and that overall monthly profitability can be achieved for the entire U.K. operation by close of fiscal 2012.

For the fiscal year ending September 2012, the Company is expecting revenues of £10.9 million and net income of £-885,000.

Our overall tactical approach will be similar to that used in Canada.

- Rapid expansion to secure a dominant market footprint with market penetration based primarily on the payday loan product
- Layering on of ancillary products to diversify and strengthen revenues
- Infrastructure enhancements to support long-term growth

All necessary foundational work has been undertaken to support a rapid and successful expansion. The expansion will be overseen by the current President and Chief Operating Officer of our Canadian operations, Barret Reykdal.

A head office has been established and staffed with domestic expertise in human resources, I.T., marketing, training and operations.

Ian Prost, Divisional Manager, is a Canadian with deep experience in the alternative financial services industry. He has been overseeing the roll-out to date and will serve as a primary support to Barret Reykdal.

Site selections have been supported by a third-party utilizing market data and demographic information culled from our current client data base and other sources. A potential 3,000 locations have been earmarked, with the top 100 clearly identified.

The Market and Industry

The U.K.'s rapidly expanding payday advance industry is expected to grow from today's 1,200 branches to approximately 3,000 branches over the next 7 to 10 years.

There are approximately 60 different companies involved in alternative financial services.

With the small number of overall branches currently in this market, we anticipate that it will relatively easy to significantly increase the Company's market share but the time to move is now, as other foreign operators have identified the U.K. as a critical market.

Business Model/ Strategy

The Company plans on using its proven business model and experience to secure a dominant footprint in the UK marketplace. Once a dominant footprint has been developed, the Company will focus on offering additional products and increasing revenue as the branches mature. The Company plans to open 50 to 80 new branches in the next 12 months and to aggressively spread out across the UK over the next 5 years.

TCS offers a friendly and welcoming atmosphere as is the case in Canada. In TCS locations you will not find bullet proof glass or staff working behind inaccessible counters. TCS cultivates a relationship with each customer and invites them in to sit down and review their loan options.

This contrasts starkly with our major competitors who often operate in a closed environment behind heavy security glass.

Product and Services

The Company is a lender for consumers seeking short-term cash advances. Customers do not have to provide a credit history or security on the loan. In terms of process, an application is completed and other relevant information is obtained from a customer. When an advance becomes due and payable, the customer must make repayment of the principal and interest owing. If there is difficulty with the collection process, the customer's account may be turned over to an independent collection agency.

TCS typically arranges for advances to customers ranging from £100 to £1,000. The average loan is £226. In order to receive an advance, a consumer is required to provide proof of income, copies of recent bank statements, current proof of residence, current telephone and utility bills, and write a cheque for the amount of the advance plus the pre-calculated interest. Deposit of the cheque is deferred until the consumer's next payday (normally seven to 14 days, but up to 31 days). The cheque is not post-dated. When the agreement expires, the cheque may be deposited to repay the advance or the consumer may redeem the cheque by paying cash in the amount of the cheque.

Customers currently receive their advance through cash, but the Company has been approved by MasterCard and we are currently transitioning to a private label card. This reduces risk, eases cash management and provides a safer work/retail environment. All new branches are opened with the pre-paid card model and current branches are transitioning beginning with B009 (complete).

Core Clients

Customers are income-earning individuals who are in need of small sum, short duration loans.

Facilities and Associates

TCS Financial has 130 associates and 20 locations in the UK. All locations are leased.

Management

The core management team of TCS Financial includes several executives with successful backgrounds in the payday advance industry and experience with startup operations:

Barret Reykdal is the President and Chief Operating Officer. His experience includes over 16 years in the alternative financial services sector. He will be relocating to the UK to oversee the day-to-day operations.

Ian Prost is the Divisional Manager. He has over fifteen years' experience in the alternative financial services sector.

Clayton Davis is the General Manager of Operations, United Kingdom. He has extensive experience of operational matters, implementation of new products and project management not only with CSF, but also previously with a variety of alternative financial services companies.

Financials

By achieving its sales targets, TCS Financial will position itself for exceptional profitability and self-funded growth. The table below is a brief summary of the TCS Financial Profit and Loss Statement for the fiscal years ended September 30, 2011 and 2012.

	2011	2012
Sales	1,608,709	10,935,220
Operating expenses	2,016,418	12,199,774
Pre-tax Income/(Loss)	**-407,709**	**-1,264,444**

U.K. Business Plan

December 2011

High Level Considerations

Points to consider in relation to TCS Financial are as follows:

- **Significant growth achieved and support by Parent Company.** The Company has the backing of a Canadian parent company that has grown from one branch in 2001 to 574 branches. The Parent Company expects to continue to grow going forward and will support aggressive expansion plans in the UK.

- **Strong and scalable business model.** TCS is designed after the proven model of The Cash Store's Canadian operations. The Canadian operations have grown to 574 branches in just over ten years. The branch corporate image (logo and layout) is similar to that in Canada and allows for an open and friendly environment where customers' feedback indicates they feel service is superior to that of other financial institutions including our payday loan competitors.

- **Emerging Industry.** The payday advance industry is a relatively new industry in UK. The demographic and economic landscape of the UK is very similar to that in Canada, with a relatively untapped market still in the growth stage.

The Company

TCS is a Corporation founded in 2008 and has operations throughout the Northwest, England, with 2 branches planned for Scotland in December, 2011.

The Company is financed by its parent company The Cash Store Financial Services Inc.

The Company's management developed a mission statement that addresses both the short and long-term goals of the Company. This mission is: "A team of motivated, knowledgeable associates dedicated to: providing superior service and innovative products; building a partnership with our customers; being an alternative financial provider to traditional banks; serving the needs of everyday people; and growing a profitable organization."

SWOT Analysis

The following SWOT analysis compares the internal strengths and weaknesses of our organization with external opportunities and threats.

Overcome weaknesses to pursue opportunities

Strengths • Proven business model • Dedicated and skilled staff • Established, reliable support system through The Cash Store Financial Services Inc.	Weaknesses • Limited management experience in the UK. • Local knowledge of culture and geography
Opportunities • Relatively untapped market • Ability to introduce other revenue sources • Ability to increase profits through maturity of branches • Significant skilled employees are available	Threats • Potential Risks associated with government regulation • Attracting new associates for expansion • Potential of new players as competition

Pursue opportunities that fit with strengths

Establish a defensive plan to minimize threats

Minimize vulnerability to threats using strengths

Products and Services

Payday Advance

Payday advances are our primary source of revenue. The product is sold for £25 per £100 advanced, plus interest and is distributed through brick and mortar branch fronts.

Loan parameters are similar to that in Canada which have the following features:

- Average loan duration of 16 days
- Average loan size of £226
- Average default rate of 20% of revenue

Payday Advances offer customers the following benefits:

- Quick turn-around time for receiving money

- Credit check not required
- Convenient locations and branch hours

TCS Financial also offers its customers the following products and services:

- **Prepaid credit cards** – load cash advances onto a prepaid MasterCard which can be used to purchase products anywhere MasterCard is accepted.
- **Cheque Cashing** – strategic relationship developed with 3rd party, limited risk to TCS. TCS receives 50% of revenue (2.9% + £4.50 handling fee)

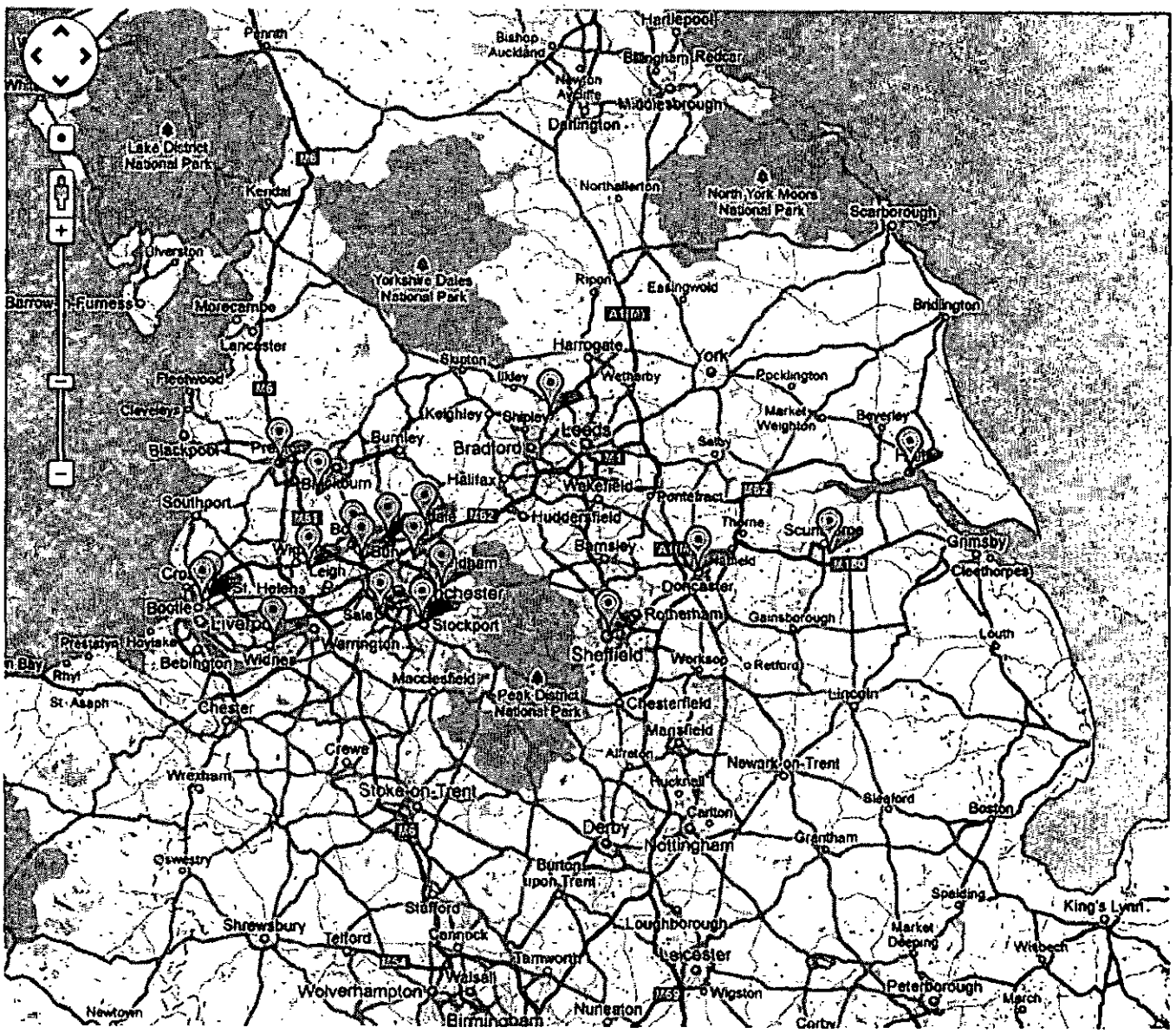
TCS Financial has identified additional products that it believes will effectively complement its current product mix in the future. These future opportunities are listed below.

- **Bank Accounts** – similar to the Canadian marketplace, TCS Financial seeks to partner with a UK vendor to allow TCS locations to act as a referral agent for the opening of bank accounts.
- **Insurance** – insurance product which protects the loan repayment in case of job loss, illness and several other occurrences.
- **Online payday advances** – gives access to payday advances online.

Company Locations

TCS currently has 20 branches in the UK in the following locations:

BRANCH / LOCATION	ADDRESS / HO TITLE	TOWN
B001 BOL	67 NEWPORT ST	BOLTON
B002 BUR	8-10 MARKET ST	BURY
B003 WIG	6 CROMPTON ST	WIGAN
B004 BLA	23 RAILWAY ROAD	BLACKBURN
B005 ASH	UNIT 2, 26 WARRINGTON ST	ASHTON UNDER LYNE
B006 PRE	157 FRIARGATE	PRESTON
B007 MAN	24-26 FOUNTAIN STREET	MANCHESTER
B008 FAR	134 MARKET STREET	FARNWORTH
B009 STO	UNIT 2, 2/10 PRINCE'S STREET	STOCKPORT
B010 SAL	20 SCHOOL ROAD	SALE
B011 DON	65 HALL GATE	DONCASTER
B012 BRA	UNIT 5, 4 IVEGATE,	BRADFORD
B013 WID	89 WIDNES ROAD	WIDNES
B014 BOO	276 STANLEY ROAD	BOOTLE
B015 SCU	128 HIGH STREET	SCUNTHORPE
B016 GRI	78 VICTORIA STREET	GRIMSBY
B018 HUL	8 WHITFRIARGATE	HULL
B019 ROC	25 - 27 YORKSHIRE STREET	ROCHDALE
B020 WAL	89 -91 WALTON VALE	LIVERPOOL
B022 SHE	5 FITZALAN SQUARE	SHEFFIELD


Penrith
Bishop Auckland
Hartlepool
Billingham
Redcar
Newton Aycliffe
Middlesbrough
Darlington
Lake District National Park
Kendal
Northallerton
North York Moors National Park
Scarborough
Ulverston
Yorkshire Dales National Park
Ripon
Easingwold
Barrow-in-Furness
Morecambe
Lancaster
Harrogate
York
Bridlington
Fleetwood
Skipton
Ilkley
Wetherby
Pocklington
Clevedon
Keighley
Shipley
Leeds
Market Weighton
Beverley
Blackpool
Burnley
Bradford
Selby
Hull
Blackburn
Halifax
Wakefield
Pontefract
Southport
Huddersfield
Thorne
Scunthorpe
Barnsley
Grimsby
Cleethorpes
Leigh
Doncaster
St. Helens
Rotherham
Gainsborough
Bootle
Liverpool
Stockport
Sheffield
Louth
Prestatyn
Warrington
Worksop
Retford
Rhyl
Bebington
Widnes
Macclesfield
Peak District National Park
Lincoln
St Asaph
Chester
Chesterfield
Mansfield
Crewe
Newark-on-Trent
Wrexham
Stoke-on-Trent
Sleaford
Boston
Derby
Nottingham
Grantham
Oswestry
Burton upon Trent
Spalding
King's Lynn
Stafford
Shrewsbury
Telford
Cannock
Loughborough
Market Deeping
Wisbech
Tamworth
Leicester
Walsall
Wolverhampton
Wigston
Peterborough
March
Newtown
Birmingham
Nuneaton
Corby

Industry Analysis

Size and Growth Rate of the Industry

We estimate the industry size in the UK to be between 1,200 branches and estimate industry saturation to be 3,000 branches (using the Canadian payday loan industry as a guide).

Maturity of Industry

The Payday Loan segment of the industry in which TCS operates is expanding. Management believes that there is opportunity in the industry for a company that can gain a significant footprint of branches in the next two to five years.

Trends in the Industry

The major trend in the payday market is towards providing alternative financial services to an underserved population. Because of trends experienced in the United States and Canada, consumers are likely to use these services if offered in convenient locations and with convenient hours of operation. This is an underserved population which provides the opportunity to open a significant number of branches, and to expand the products offered within the branches.

Industry Opportunities

TCS Financial is poised to take advantage of the underserved population through its growth strategy. There is substantial opportunity for growth for a national firm such as TCS Financial to capture market share and to develop a profitable business.

Barriers to Entry

The major barrier to entry in this market is the potential for more rigorous regulation of the industry. As the industry governance is likely to change, the Company will need to be very involved with government to ensure regulation is not detrimental to the industry.

The Target Market

Target Market

In today's competitive payday loan market, there are a mixture of competitors specializing in everything from larger dollar value loan products with longer terms (greater than one year terms); to medium term loan products (1 – 6 month terms); to pawn brokering franchises. There are currently three large competitors (greater than 50 branches) that specialize in short term (less than 31-day terms) cash advances in the UK.

TCS Holding's target market is the short-term alternative financial products. This market is characterized by cash advances due within 31 days in amounts between £100 and £1,000.

Market Analysis

Macroeconomic trends in UK household finances mirror those of other market economies in which the payday loan sector has taken hold. TCS has either direct experience with (Canada) or deep knowledge of (United States) these economies. Several factors in combination bode well for growth of the payday loan industry in the UK.

Due to an extended period of relatively low interest rates, consumers have taken on greater levels of consumer debt. For a segment of the population, aggregate monthly debt servicing payments have eroded disposable income, giving rise to the need for financing to bridge the gap between paydays.

These trends are further reflected in the household savings ratio which has been in steady decline since the mid-1970s and moved into a negative balance in 2002.

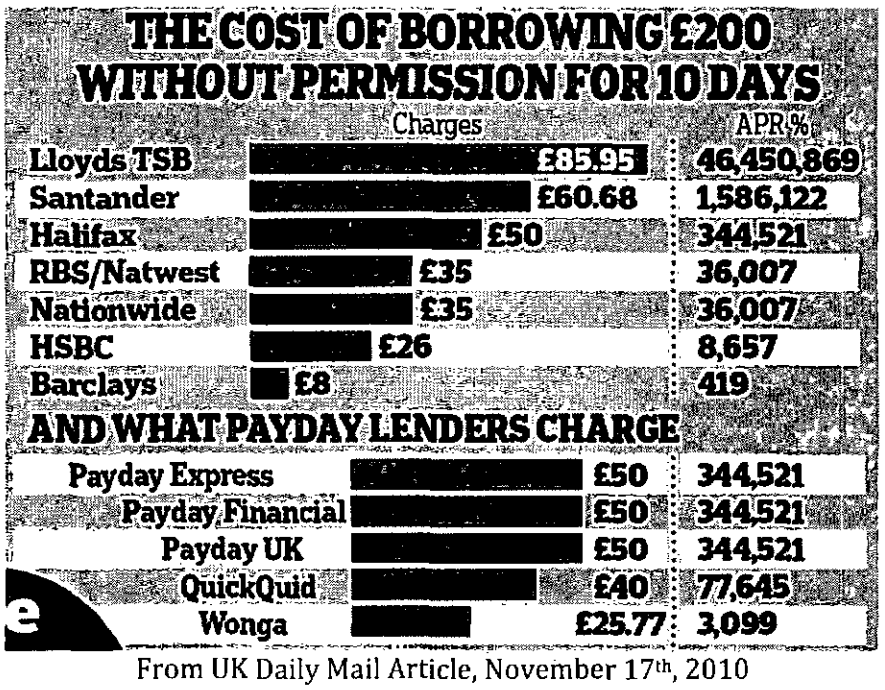
The Company participates in the rapidly growing payday advance market, which is expected to grow from 1,200 branches today to approximately 3,000 branches. The Company estimates the potential revenue of the payday advance market in the UK is above £500 million annually. This would be shared by national, regional, and many local competitors. In the UK alone, the Company estimates approximately 60 companies compete in the same market niche as TCS.

With the abolishment of the UK cheque guarantee scheme in June2011, alternative lenders no longer have a guaranteed cheque for the repayment of loans. Cash Store preauthorized debit program, gives Cash Store the permission and ability to take loan payments right off the customers debit card or right out of their bank account. Alternatively a number of the Cash Store competitors are now promoting more collateral loans and offering more pawn broking facilities.

Positioning

TCS Holding's strategy is to position the company as a major provider of short term payday advances in the alternative financing market. It will achieve this goal by establishing a solid market position offering short term products in major markets.

Management has established its strategic position after careful evaluation of industry trends, the target market, the competitive environment, the company's strength, and the inherent risks.



From UK Daily Mail Article, November 17th, 2010

Competitive Environment

The main competitors in the UK marketplace consist of the Money Shop (DFG) with 400+ branches, Cash Converters (EZ-Corp) with 162 branches, Check Centres with 140 branches (Advance America), H&T Pawnbrokers (EZ-Corp) with 120 branches and Albemarle & Bond with 85 branches.

Company Strengths

TCS Financial management is convinced that its experience and the experience of The Cash Store Financial Services Inc., in short-term alternative financial products put it in a unique position in the market. In addition, our ability to grow quickly enables us to secure a dominant footprint better than any other firm.

Definition of Strategic Position

Management's analysis of the factors just outlined leads us to the conclusion that the biggest threat to our plan is the uncertain regulatory environment in the UK. It is imperative that we are actively involved with government officials and regulators to ensure that any regulation of the industry will not keep us from meeting our objectives.

It is the strong belief of TCS Financial management that regulatory uncertainty, although real, will not keep companies such as ours from succeeding. Our ability to provide much needed alternative financial solutions should ensure our competitive position.

TCS Financial has performed extensive analysis of its competitors in the payday advance market in the UK. The following types of firms offer either direct or indirect competition:

- **Dollar Financial Corp (Money Shops)** ("DF") – A larger competitor that targets payday loans and cheque cashing. DF currently has 400+ locations the UK.

- **Cash Converters** ("CC") – A large pawn brokering franchise, better known for its pawn brokering rather than micro lending. CC currently has 162 branches and is operating in the UK.

- **Check Centres** ("CS") – Targets payday loans and cheque cashing. CS has 140 locations the UK.

- **H & T Pawnbrokers** ("HT") – This organization is a pawnbroker company that also offers payday advances, cheque cashing and other unsecured loans. HT has over 120 outlets throughout the UK.

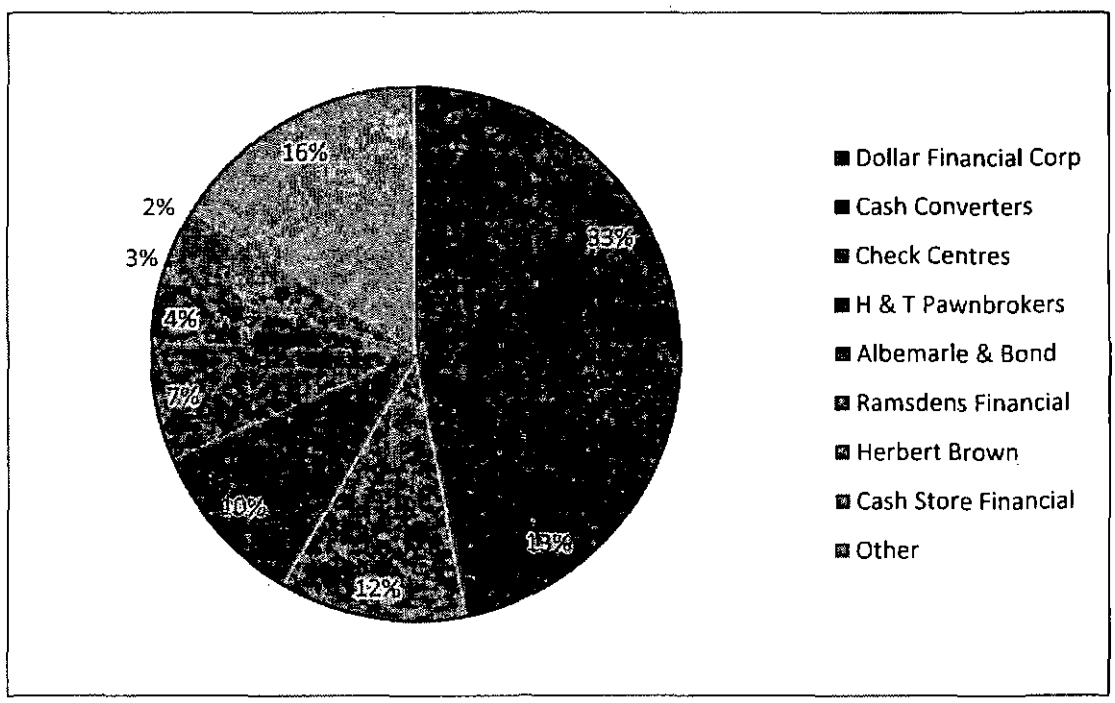
- **Albemarle & Bond** ("AB") - This organization is a pawnbroker company that also offers payday advances, cheque cashing, money transfer/exchange and other unsecured loans. HT has over 85 outlets throughout the UK.

- **Ramsdens Financial Ltd.** ("RF") – Offers mainly pawnbroking and related services, but has added payday advances, money transfers and cheque cashing to its services. RF has 45 locations in the UK.

- **Herbert Brown** ("HB") - Offers mainly pawnbroking and related services, but has added payday advances, money transfers and cheque cashing to its services. HB has 34 locations in the UK.

Market Share Distribution

The best information currently available shows market distribution by branch location according to the following graph.



Barriers to Entry

Potential entrants into the industry face obstacles such the availability of appropriate locations and the ability to hire appropriate staff, and capital constraint in some instances.

Companies that are likely to successfully capture market share are those that understand the market, are able to offer a high level of training and flexibility, and can develop brand recognition.

Marketing Outline & Strategy

TCS's marketing strategy is to communicate its competitive differences, particularly as they relate to the needs of its target customers. Our ability to reach local markets is what sets us apart and all of our marketing efforts and tactics focus on driving this point home.

Company Image/Message

TCS's logo, marketing materials, promotions, and sales approach are all coordinated so as to present a clear and consistent message to its customers and potential customers: TCS's payday advance is the ideal solution to their need for emergency funds, convenience, customer service, and response times.

Marketing Program

The nature of TCS's payday advance market makes the use of local and regional newspaper ads, flyer drops and miscellaneous community initiatives the most effective approach. In addition to targeting local awareness, TCS also makes every effort to ensure maximum Internet coverage by populating Internet business search sites with its details and by increasing key words in Google.

TCS's custom in-house sales training program to maximize repeat business is also a key strategy.

Marketing Vehicles

TCS has used or will use the following marketing vehicles to express its message to its target market:

Flyers

The Company has developed flyers which grab the attention of potential clients and give them enough information to ensure maximum exposure. These materials are mailed or dropped in areas where our target consumers live.

Newspapers

To support its promotion efforts, TCS Financial is working with the local and regional newspapers to increase brand name awareness by including coupons designed to increase the customer base within each location.

Internet

Internet Marketing consists of Search Engine Optimization, Search Engine Marketing-pay per click, and display advertising (banner ads).

Direct Mail

TCS uses comprehensive analytic targeting methods to determine areas best suited to our direct mailing campaigns. TCS has partnered with a local UK vendors to assist in this process (CACI and "The Leaflet Company")

Geographic Expansion

TCS plans an aggressive growth plan which will see it grow from its current 20 branches to 70 to 100 branches within 12 months and potentially 500 branches within five years. TCS will concentrate on the West Midlands North, from Birmingham in the South, to Leeds in the North, and then enter into Scotland on the West coast in the Glasgow.

The planned geographic expansion is based on a strategy of concentrating expansion in geographic proximity to the Company's current locations and within populations of target customers. The Company will continue to evaluate any expansion opportunities that may be possible through the purchase of existing competitor branches.

Targeted Expansion

TCS has partnered with an experienced location analysis vendor in the UK to determine the best towns, neighborhoods, cities, high streets and buildings to locate our branches. The next 3000 locations ranked in order have been determined based on a combination of demographics gathered from our current customer database, retail analysis and spending patterns.

Sales Forecast

The Table below indicates TCS Financial actual 2011 revenue and projected revenue for 2012.

	2011	2012
Total Revenue	£1,608,709	£10,935,220

All figures are expressed in Pounds.

Operations

A key to the success of TCS Financial is the ability to attract quality staff and to open new branches in key locations. Our ability to effectively manage this aspect of our business enables us to grow revenue both through customer satisfaction and by attracting new clients. Ensuring the optimum mix of risk of default and adequate revenue is also very important.

Facilities

TCS currently operates its business from twenty locations:

BRANCH / LOCATION	ADDRESS / HO TITLE	TOWN
B001 BOL	67 NEWPORT ST	BOLTON
B002 BUR	8-10 MARKET ST	BURY
B003 WIG	6 CROMPTON ST	WIGAN
B004 BLA	23 RAILWAY ROAD	BLACKBURN
B005 ASH	UNIT 2, 26 WARRINGTON ST	ASHTON UNDER LYNE
B006 PRE	157 FRIARGATE	PRESTON
B007 MAN	24-26 FOUNTAIN STREET	MANCHESTER
B008 FAR	134 MARKET STREET	FARNWORTH
B009 STO	UNIT 2, 2/10 PRINCE'S STREET	STOCKPORT
B010 SAL	20 SCHOOL ROAD	SALE
B011 DON	65 HALL GATE	DONCASTER
B012 BRA	UNIT 5, 4 IVEGATE,	BRADFORD
B013 WID	89 WIDNES ROAD	WIDNES
B014 BOO	276 STANLEY ROAD	BOOTLE
B015 SCU	128 HIGH STREET	SCUNTHORPE
B016 GRI	78 VICTORIA STREET	GRIMSBY
B018 HUL	8 WHITFRIARGATE	HULL
B019 ROC	25 - 27 YORKSHIRE STREET	ROCHDALE
B020 WAL	89 -91 WALTON VALE	LIVERPOOL
B022 SHE	5 FITZALAN SQUARE	SHEFFIELD

In addition to the current twenty locations, TCS plans to open six to eight additional locations each month over the next twelve months.

Service Support

The Company currently is provided with certain administrative and management services by its parent company, including, but not limited to the following:

- financial and accounting support services

- contracts administration services
- payroll and benefits services
- use of The Cash Store Financial Services Inc. information technology and telecommunications systems
- administrative and general office support services
- government liaison and regulatory support services
- investor relations services
- insurance services
- training support

Technology Outline

Technology and effective systems are crucial to successful modern companies. Management of the Company's information systems will be handled through its parent company. This arrangement provides TCS Financial with the flexibility to continually monitor its systems and upgrade when business requirements dictate.

The company presently uses the following systems:

- Cash home (Proprietary Operating System)
- Accpac
- BOSS (Proprietary Collections System)

Hardware Needs

The Company currently deploys 3 PC's, 3 VoIP phones and 1 Multifunction printer/fax in each branch. In addition corporate office has 2 network servers used for internal information processing, a training center with 6 PC's and workstations with PC's, VoIP phones and printers for the Accounting, Facilities Management and National Collection groups. The Company has been provided with full backup and emergency servers in Canada. Contracts have been signed with key vendors for support/maintenance of business technology. These vendors include: Data Electric, ZEN Networks, Vodafone, BOSS, OnX and Frontier Networks.

Software Needs

In addition to the systems already used by TCS Financial, management foresees the need for a new operating system. Such a system will enhance our ability in marketing, reporting, system controls and platform stability. Movement to a new system is likely to occur within the next twelve months. Existing software includes BOSS, Cash Home, Accpac and the Microsoft Office suite.

Human Resources

The UK Human Resource Strategic Imperatives for the 2012 fiscal year will focus on recruitment and selection and implementing a new benefits program designed specifically for the UK.

Over the next twelve months branch openings will be targeted at 6 per month which will equate to between 20-30 associates per month. Factoring in to recruitment targets will be UK's current turnover per month which is averaging around 5 % per month. This will bring total hires close to 40 per month.

As unemployment is high in the UK job postings tend to generate between 30 - 200 applications per posting which requires the establishment of monitoring and reporting systems to track recruitment costs, effectiveness and quality of hire. To date Human Resources have already centralized job postings and have a central point for application. This has created the opportunity to track a talent pool for future recruitment with a view to reducing future advertising spends.

Work will begin in January on researching an appropriate UK employee benefit package, with an aim to having a program in place by the next fiscal year. Key aspects of this imperative will include researching current market trends in terms of what is offered by other employers, reviewing costs, and making final recommendations to senior management. In the UK a benefit package cannot be made a term of employment if the employee has to contribute to the cost, so the recommendation will include which benefits should be paid by Cash Store and which should be optional to the employee.

Staffing

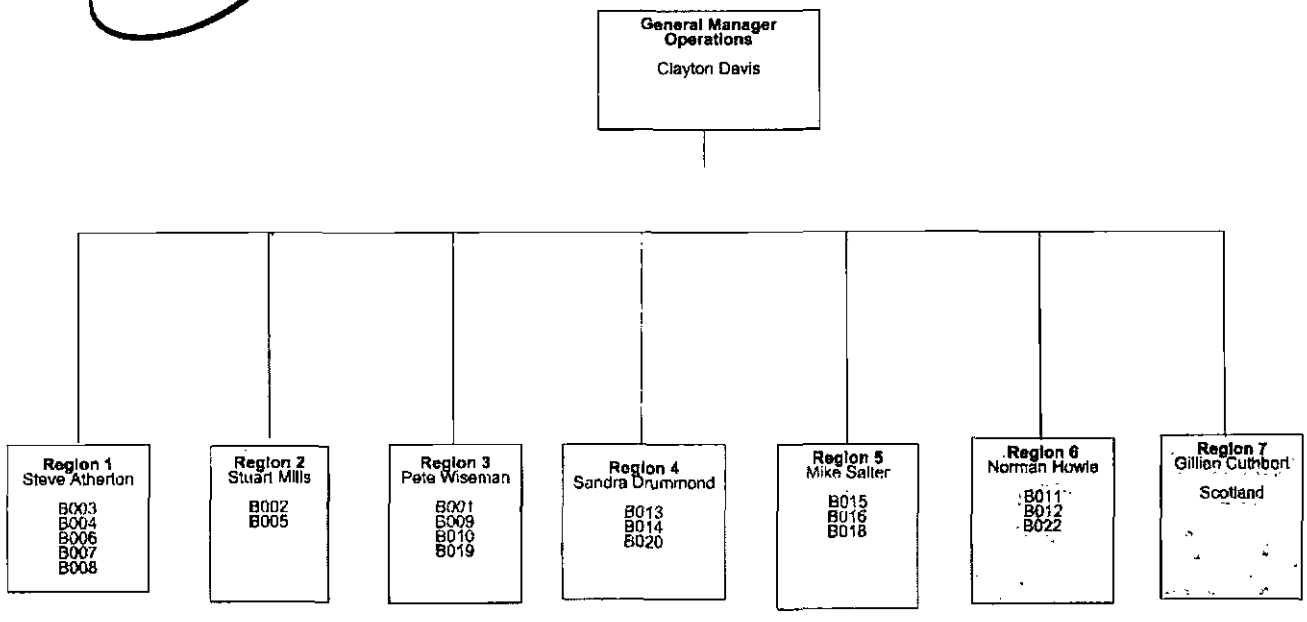
TCS Financial is currently running its business with a staff of 120 full-time associates. Each is responsible for a different function, although management has created a system of cross-functional training that will keep its business running smoothly despite illness, attrition, or turnover.

The staff is organized along the following functional framework:

- Financial Customer Service Representatives ("FCSR")
  - Market products
  - Sell products
  - Collections
- Branch Managers
  - Market products
  - Sell products
  - Collections
  - Training and development of FCSR's
  - Monitor branch results
  - Branch financial reconciliations
- Regional Manager
  - Monitor branch results
  - Monitor regional results
  - Hiring of FCSR's and Branch Managers
  - Reviewing financial reporting
  - Training and development
- Support Services
  - Accounting
  - Human resources
  - Information technology
  - Marketing
  - Internal Audit
  - Training

Cash Store
UNITED KINGDOM

Operational Organisation Flowchart



Internal Audit

The mission of the Internal Audit department is to provide independent, objective assurance and consulting services designed to add value and improve the UK's operations. Internal Audit will attempt to help the UK accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the UK's risk management, internal control, and governance processes.

To help safeguard the UK operations against internal fraud, specific support actions will be developed including the establishment of an effective anti-fraud and loss prevention program. This program will incorporate key anti-fraud elements pertaining to the detection, investigation and reporting of fraudulent activity. Initial priorities will include drafting fraud policies, developing key fraud indicator reporting and establishing a branch forensic audit presence.

To help ensure the UK, on a consolidated basis, complies with its obligations under Canadian and US securities legislation, Internal Audit will be performing regular financial reporting risk assessments; updating the UK's internal control documentation; performing tests of design and operating effectiveness of the UK's internal control over financial reporting, disclosure controls and procedures, information technology general controls, and entity-level controls.

National Collections Centre

The TCS Collection team in the UK is combined of 8 experienced collectors and one General Manager. As in Canada, this department is known as the National Collections Centre, this allows TCS UK Division to employ experienced local collectors who know the market, the demographics and local collection techniques. High level support is still available from Canadian operations. Performance is measured on similar metrics to the Canadian Division.

Compliance

At present there do not exist payday loan specific provisions in consumer protection statutes or regulations in the United Kingdom. Payday loans – as a form of credit – are subject to the *Consumer Credit Act (CCA) 1974*, which focuses primarily on fair trading and disclosure. There are no caps on the cost of borrowing. The *Consumer Credit Act (CCA) 1974* is administered by the Office of Fair Trade (OFT). The Act requires that all lenders be licensed and, on that basis, our operations could from time to time be subject to investigation by the OFT. The question of whether or not payday loans ought to be more thoroughly regulated, including with rate caps, was the subject of an in depth study by the OFT which reported on this matter in June 2010. The OFT determined that it was not in the public interest to cap lending rates and that no economic case could be made to support this proposition. Subsequent to the OFT report the government, through media statements and statements in Parliament, has upheld the OFT's findings and recommendations.

Milestones & Risk Evaluation

Goals

TCS Financial management's vision includes the continued development of TCS Financial concept and the establishment of the Company as a major player in the payday advance industry within the UK. Three years from now, we expect to have a solid footprint of branches in the UK market and to be in a position to finance aggressive growth in the future through existing branch profits.

Milestones

Milestone	Status/Date
Develop strategy for recruitment and training	*December 2010*
Introduce prepaid MasterCard payment options	*December 2011*
Introduce other products such as insurance and bank accounts	March 2012
Open six to eight branches per month	January 2012 – going forward
Increase infrastructure within UK	*Dec 2011*

Italics indicated completed

Financial Data & Projections

Financial Assumptions

In assembling the TCS Financial Plan, management made a number of important assumptions:

- The Company would open six to eight branches per month for the next 12 months.
- Government regulation would not change the way the Company currently operates.

Income Statement

INCOME STATEMENT		FY2011 Actuals	FY2012 Forecast
Number of Branches		**12**	**78**
Revenue		£1,608,709	£10,935,220
Expenses			
	Salaries & Benefits	606,277	4,045,415
	Rent	139,058	1,146,155
	Provision for Loan Losses	342,157	2,187,044
	Advertising	21,963	448,832
	Selling, General & Administrative	268,947	1,146,663
	Amortization	58,285	394,800
Branch Operating Income/(Loss)		£172,023	£1,566,311
Regional Expenses		370,084	1,603,141
Corporate Expenses		209,647	1,227,724
Income/Loss before Income Taxes		-£407,709	-£1,264,554
Income Tax Provision		(122,000)	(379,366)
Net Income/(Loss)		-£285,709	-£885,188

Balance Sheet

BALANCE SHEET	FY2011 Actuals	FY2012 Forecast
ASSETS		
Current Assets		
Cash and cash equivalents	£606,128	£6,519
Consumer loan receivable	2,023,636	10,928,523
Other accounts receivable	87,443	106,820
Future income tax	122,000	502,359
Prepaid expenses & other	358,819	230,283
	£3,198,026	£11,774,504
Deposits and other	20,170	43,003
Capital assets	705,300	4,817,436
Intangible assets	1,791	1,153,205
	£3,925,287	£17,788,148
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilites	£264,658	£837,280
Current portion of obligations under capital lease	4,938	81,254
Payable to cash store financial services	3,925,523	17,186,335
Current portion of deferred lease inducements	15,843	65,003
Deferred revenue	83,451	457,820
	£4,294,413	£18,627,692
Deferred lease inducements	74,523	325,017
Obligation under capital lease	16,202	81,254
	£4,385,138	£19,033,963
SHAREHOLDERS' EQUITY		
Share capital	£1	
Retained Earnings	(459,852)	(1,245,815)
	£4,385,138	£17,788,148

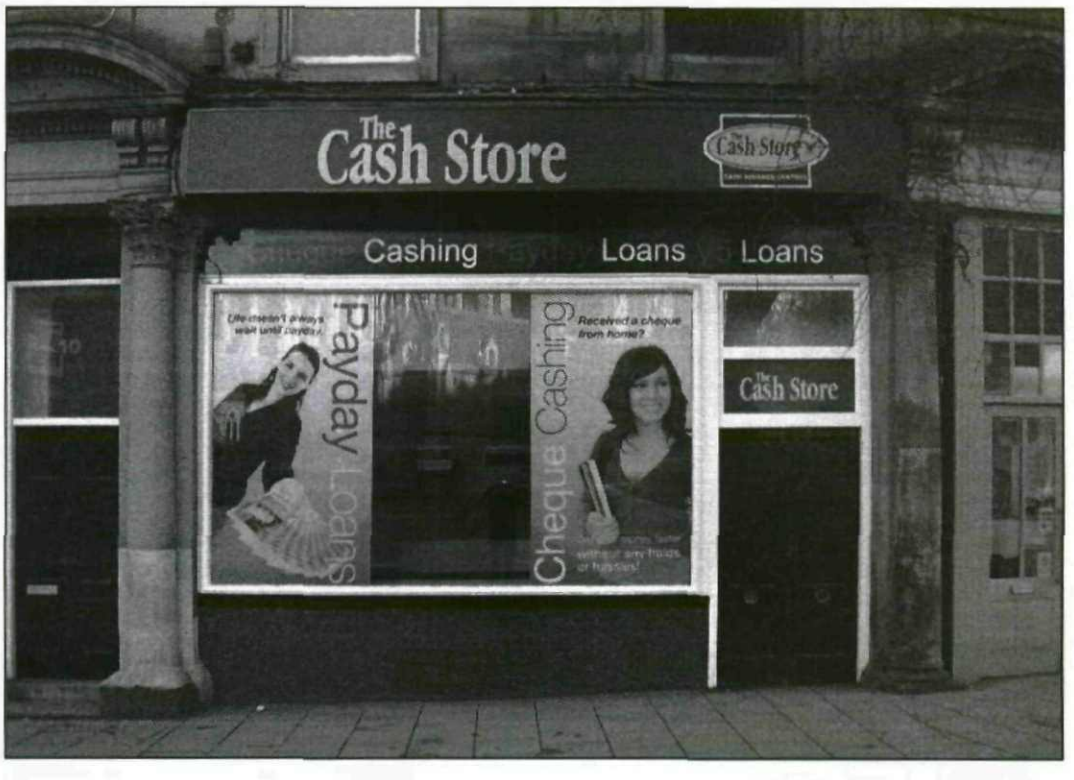
Statement of Cashflow

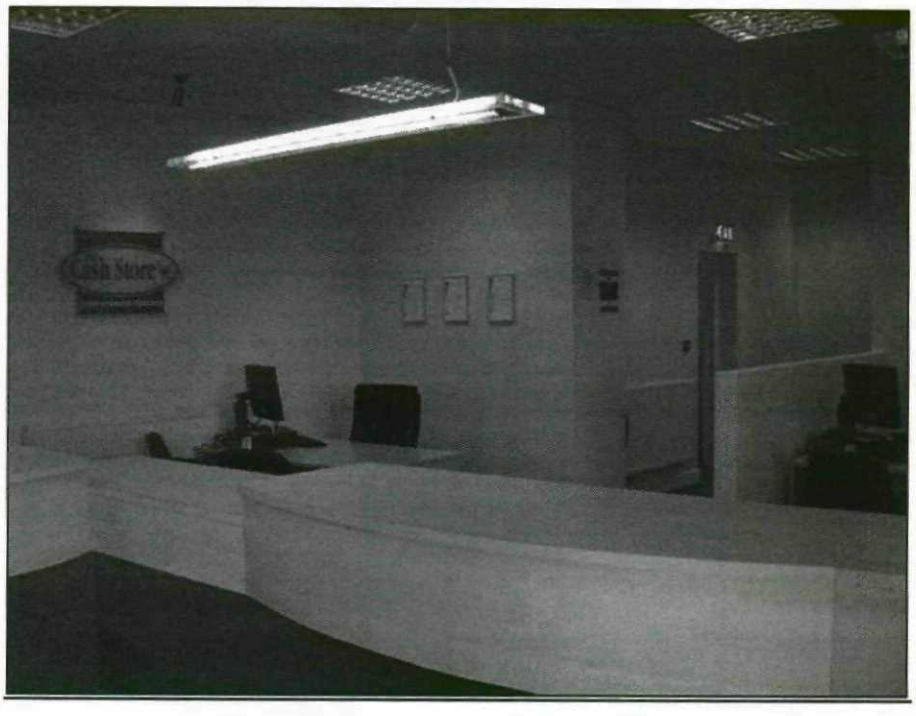
STATEMENT OF CASHFLOW	FY2011 Actuals	FY2012 Forecast
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income (loss)	-£285,708	-£885,188
Items not affecting cash:		
Amortization of intangible assets	301	
Amortization of capital assets	63,497	409,120
Future income taxes		(379,366)
	-£221,910	-£855,434
Change in non-cash operating items		
Accounts receivable	(87,443)	(18,667)
Prepaid expenses, deposits and other	(370,358)	96,117
Accounts payable and accrued liabilities	237,331	570,497
Payable to The Cash Store Financial Services Inc.	3,631,873	13,364,218
Income tax receivable	(122,000)	
Capital lease obligations	21,141	
Deferred revenue	83,451	373,690
Deferred lease inducements	75,366	300,093
	£3,247,451	£13,830,514
INVESTING ACTIVITIES		
Consumer Loans Receivable(net)	(2,023,636)	(8,888,422)
Purchase of intagible assets	(2,092)	(1,151,427)
Purchase of capital assets	(661,190)	(4,531,469)
	-£2,686,918	-£14,571,318
FINANCING ACTIVITIES		
Purchase(repayment) of capital leases and other		141,196
	£0	£141,196
(DECREASE) INCREASE IN CASH	£560,533	-£599,608
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	45,594	606,127
CASH AND CASH EQUIVALENTS, END OF PERIOD	£606,127	£6,519

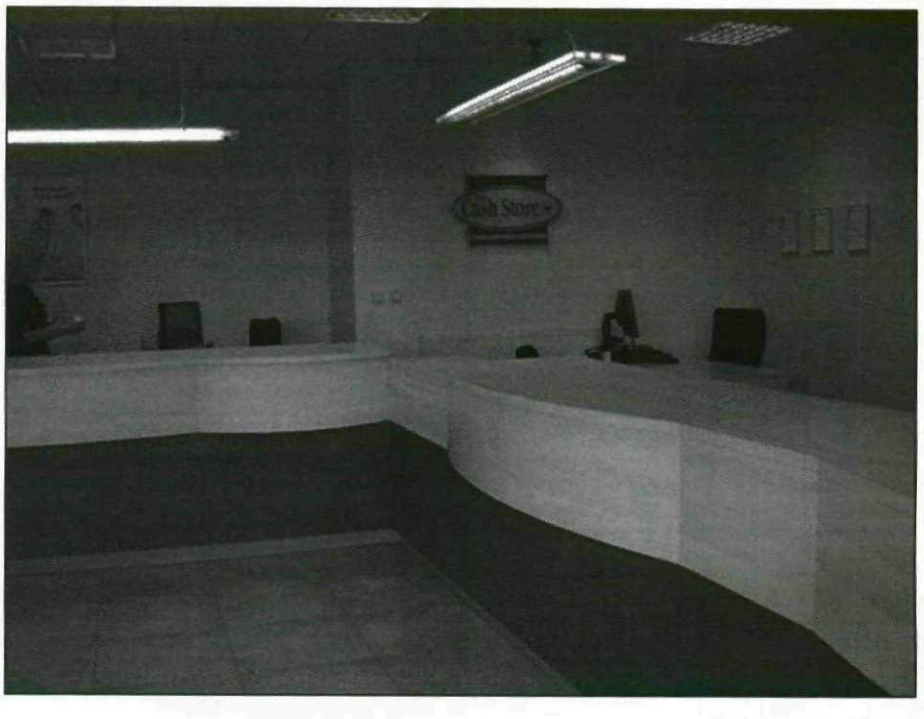
Bolton


V5
Payday
Loans
The Cash Store
Cashing
Loans

Bury


The Cash Store
Cashing
Loans
Loans
Payday Loans
Cheque Cashing
The Cash Store


Cash Store


Cash Store

Bolton


V5
Payday
Cheque
Loans
The Cash Store
Cashing
Loans

Bury


The Cash Store
Cash Store
Cashing
Loans
Loans
Payday Loans
Cheque Cashing
Received a cheque from home?
The Cash Store


Cash Store





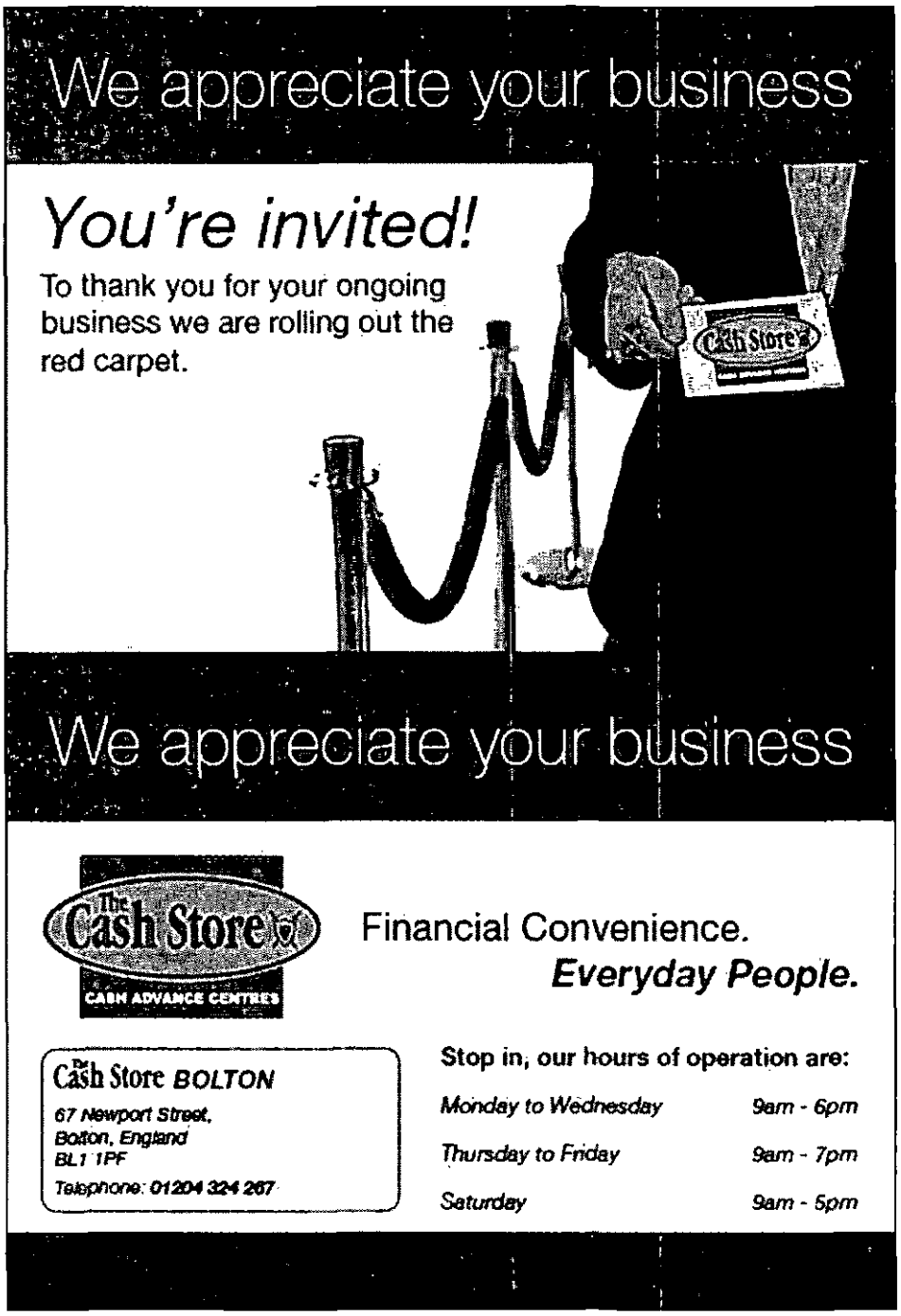










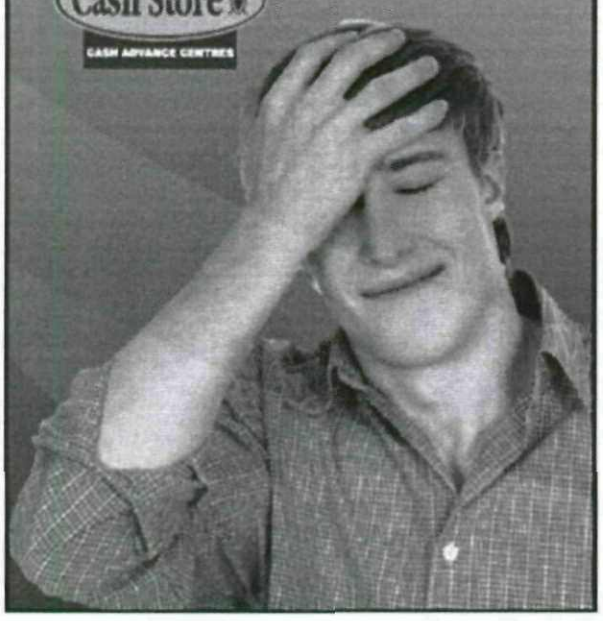

We appreciate your business
You're invited!
To thank you for your ongoing business we are rolling out the red carpet.
The Cash Store
We appreciate your business
The Cash Store
CASH ADVANCE CENTRES
Financial Convenience.
Everyday People.
The Cash Store BOLTON
67 Newport Street,
Bolton, England
BL1 1PF
Telephone: 01204 324 267
Stop in, our hours of operation are:
Monday to Wednesday 9am - 6pm
Thursday to Friday 9am - 7pm
Saturday 9am - 5pm

Our door is always open

Don't forget to pay us first.

We're the only bill that gives you money back!

The Cash Store
CASH ADVANCE CENTRES



Our door is always open

The Cash Store
CASH ADVANCE CENTRES

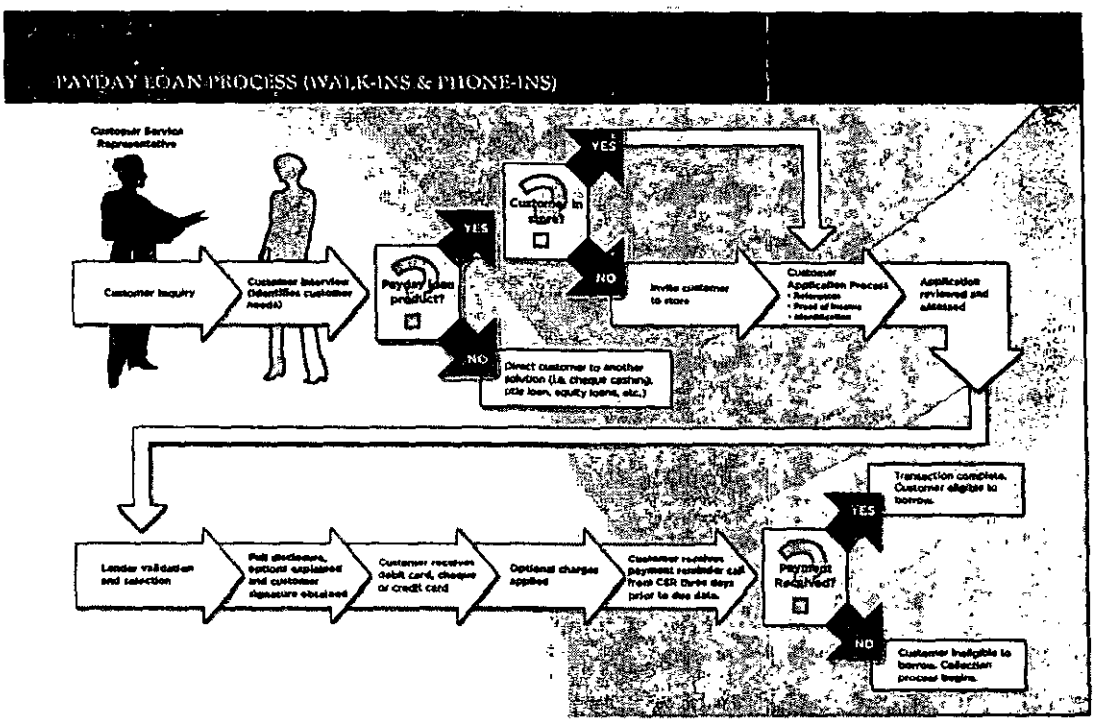
We can help you pay your over bills.
By paying us first you have the freedom you need

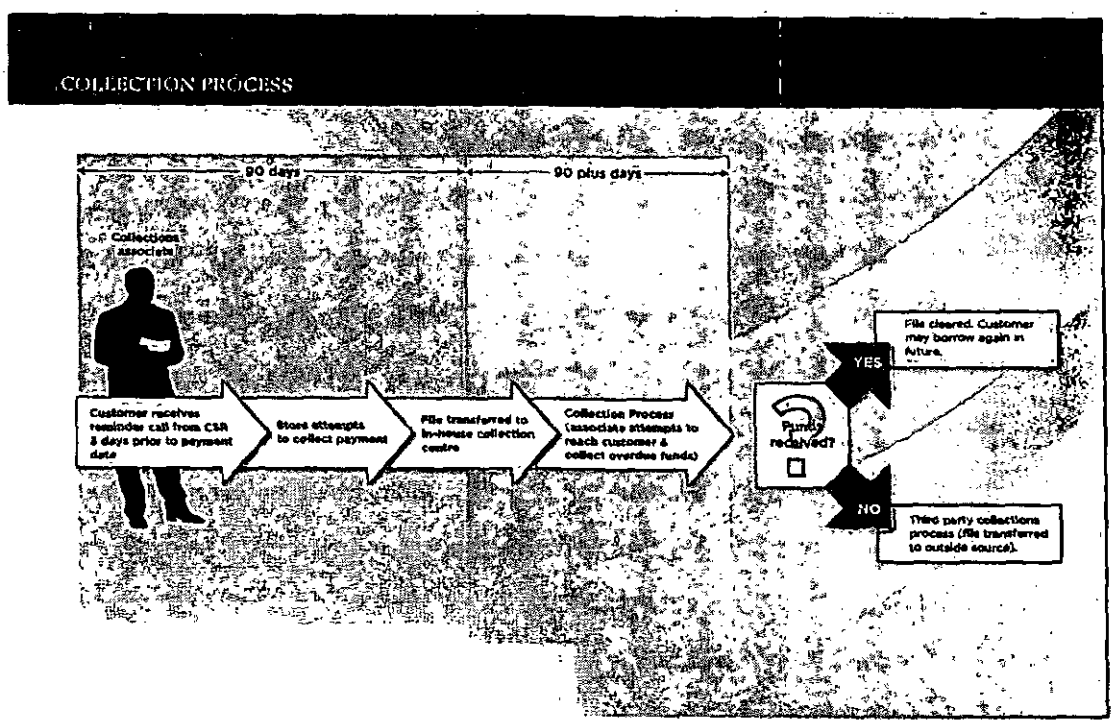
The Cash Store *BOLTON*

67 Newport Street,
Bolton, England
BL1 1PF
Telephone: ***01204 324 267***

Stop in, our hours of operation are:

Monday to Wednesday	*9am - 6pm*
Thursday to Friday	*9am - 7pm*
Saturday	*9am - 5pm*


PAYDAY LOAN PROCESS (WALK-INS & PHONE-INS)
Customer Service Representative
Customer inquiry
Customer interview (identifies customer needs)
Payday loan product?
YES
NO
Customer in store?
YES
NO
Invite customer to store
Customer Application Process
Application reviewed and assessed
Direct customer to another solution (i.e. cheque cashing, title loan, equity loans, etc.)
Lender validation and selection
Full disclosure, options explained and customer signature obtained
Customer receives debit card, cheque or credit card
Optional charges applied
Customer receives payment reminder call from CSR three days prior to due date.
Payment Received?
YES
NO
Transaction complete. Customer eligible to borrow.
Customer ineligible to borrow. Collection process begins.


COLLECTION PROCESS
90 days
90 plus days
Collections associate
Customer receives reminder call from CSR 8 days prior to payment date
Store attempts to collect payment
File transferred to in-house collection centre
Collection Process (associate attempts to reach customer & collect overdue funds)
Funds received?
YES
NO
File cleared. Customer may borrow again in future.
Third party collections process (file transferred to outside source).

Biography

Corporate Positions



April 2005 to present: President and Chief Operating Officer, The Cash Store Financial Services Inc.

March 2003 to April 2005: Director of Operations, Western Canada

June 2001 to March 2003: Regional Manager, Northern Alberta.

April 2001 to June 2001: Store Manager, Edmonton.

October 2000 to April 2001: Owner Operator, Insta-rent (Rent to Own)

Community and Industry Membership

Entrepreneurs' Organization (EO) - 2001 to present

The Entrepreneurs' Organization (EO) is a membership organization designed to engage leading entrepreneurs to learn and grow. It is a global community of business owners, all of whom run companies that exceed US$1M in revenue. Founded 20 years ago, EO is now 6,600 members strong with more than 108 chapters in 38 countries around the globe. Members come from all walks of life and run companies of every type and size imaginable. Famous or not, with a staff of two or 2,000, they all have a common desire to grow their businesses, learn from others and share their experiences.

Youth Emergency Shelter Society (YESS) – 2002 to 2005. Board of Directors 2004 – 2005.

Provides a place where young frightened kids and teenagers with problems can go for help when they are in a crisis. Provides Edmonton's youth with the best opportunities to return to the community in a productive and positive manner. Their mission is to give youth at risk a chance. The Youth Emergency Shelter Society has a strong history of serving youth at risk in a caring, compassionate and concerned manner and, despite the setbacks and challenges of delivering these programs, have provided an enormous amount of excellent service to the youth of Edmonton.

As a member of YESS Barret helped to organize two fundraisers: The World's Longest Hockey Game in 2002 and a go-cart race in 2005.

Icelandic Canadian Club of Edmonton (ICCE) – 2001 to present

ICCE strives to keep the Icelandic cultural heritage alive though language, music, food, poetry.

Ian Michael Prost: Divisional Manager, United Kingdom

Biography

Corporate Positions

Ian Prost is the Divisional Manager, United Kingdom, of Cash Store Limited, a division of The Cash Store Financial Services Inc. ("CSF"), Canada's largest provider of short-term advances traded on the Toronto Stock Exchange under the symbol "CSF" and on the New York Stock Exchange under the symbol "CSFS".

Mr. Prost has extensive experience overseeing business operations and strategy development not only with CSF, but also previously with a variety of alternative financial services companies such as Insta-rent Corp, Budget Rental centre, and Rentown Inc. As the Divisional Manager, Ian is responsible for monitoring the company's operation and financial results, strategic growth, new branch openings and regulatory matters.

Mr. Prost's previous positions include Divisional Vice President of Operations, Insta-rent (a division of Rentcash Inc.); Regional Manager, Cash Store Financial and Insta-rent; Vice President and founder, Budget Rental Centres; and Regional Manager of Rentown Inc.

Education

Ian Prost was primarily raised in the Province of Alberta. He attended Northern Alberta Institute of Technology(Edmonton, Alberta) and Ryerson Polytechnic University (Toronto, Ontario) where he studied Business Administration.

Clayton Davis: General Manager of Operations, United Kingdom

Biography

Clayton Davis is the General Manager of Operations, United Kingdom, of Cash Store Limited, a division of The Cash Store Financial Services Inc. ("CSF"), Canada's largest provider of short-term advances traded on the Toronto Stock Exchange under the symbol "CSF" and on the New York Stock Exchange under the symbol "CSFS".

Mr. Davis has extensive experience of operational matters, implementation of new products and project management not only with CSF, but also previously with a variety of alternative financial services companies such as Insta-rent Corp ,Rentown Inc and Budget Home of Rent to Own Ltd (Owner/Operator). As the General Manager of Operations, Clayton is responsible for monitoring the company's operation, financial results, new branch openings and Special Projects.

Corporate Positions

Mr. Davis's previous positions include Regional Manager, Cash Store Financial, Insta-rent and Rentown Inc. Canadian Auditor/Special Projects, Rentown Inc and Owner/Operator of Budget Home of Rent to Own Ltd.

Education

Born and raised in Southern Alberta. Mr. Davis attended Okanagan University where he studied Business Administration.

Community

Mr. Davis has worked with the Osprey and Kin-Rap program which helps and supports troubled youths for a period of 7 years and in this time he also provided them with a safe home environment.

Matthew Mitchell: Leasing & Development Manager, United Kingdom

Biography

Matthew Mitchell is the Leasing & Business Development Manager for The Cash Store Limited in the United Kingdom a division of The Cash Store Financial Services Inc. ("CSF"). Mitchell's role encompasses strategically the growth of The Cash Store branch network, identifying, negotiating and completing on the best possible opportunities for TCS throughout the UK.

The remit of Mitchell's position also encompasses property management, overseeing the resolution to any maintenance issues, rent demands, rate demands and insurances required.

Mr. Mitchell has a wide range of knowledge and experience overseeing business expansion through primarily the identification and acquisition of land and property.

Corporate Positions

Prior to joining The Cash Store, Mitchell's achievements included developing a regional expansion strategy for the discount food retailer Lidl UK GmbH, implementing where new foodstores were to be located, following this through the legal and planning process to completion. Further to this Matthew has experience in the acquisition, redevelopment and disposal of many residential properties providing a significant uplift in value.

Mitchell's previous positions include: Acquisitions Management (Lidl UK GmbH), Property Development, Project Management and Product Design (Deep Blue).

Education

Matthew Mitchell was brought up in Sheffield, South Yorkshire. He attended De Montfort University where he studied Design.

Nigel Croll: Marketing Manager, United Kingdom

Biography

Nigel Croll is the newly appointed Marketing Manager for the UK operations of Cash Store Financial as it embarks upon its rapid phase of geographical expansion.

Mr. Croll brings extensive commercial experience leading the sales, marketing and procurement of a broad range of UK based manufacturers and multi-site builders merchant groups supplying into retail, refurbishment and specification markets both domestically and internationally. This includes companies ranging from a small Staffordshire potter to the 500 branch network of Jewson, one of the UK's largest Builders Merchant brands that now forms part of the multinational building products empire of French parent company Saint-Gobain.

Corporate Positions

Previous positions include Marketing Manager for British Ceramic Tile Ltd, Commercial Manager for Selco Trade Warehouses Ltd , Marketing Controller of Jewson Ltd, and Sales & Marketing Director of Aynsley China Ltd amongst several others.

Education

Born and raised in the UK's Northwest, Croll attended North Staffordshire Polytechnic as a requirement of his sponsoring company Marley PLC, and subsequently returned there almost a decade later to complete an 2 year Executive MBA program. Croll is also an Affiliate Member of the Chartered Institute of Marketing.

Sarah Catterall: Human Resources Manager, United Kingdom

Biography

Sarah Catterall is the HR Manager for Cash Store Limited and has considerable experience in establishing HR functions and assisting start up companies to achieve significant growth. Having worked in both public and private sectors, Sarah has managed an emerging IT consultancy rapidly expand throughout Europe and a Fibre Optic provider achieve over 300% growth in 18 months. Her other key experience is in a major restructures within the both the leisure industry and the charitable sector. Sarah is responsible for facilitating the UK recruitment and setting up support mechanisms and tools to enable The Cash Store to manage its increasing population.

Corporate Positions

Previous positions include HR Manager at the i3 Group, HR Manager at the Aspro Group, HR Manager at TopTier Software and Senior HR Officer at Mason Communications.

Education

Born and raised in Lancashire, Sarah attended the University of Reading, attaining an honours degree in English Literature, later self-funding a Post Graduate Diploma in Human Resources to achieve full membership of the Chartered Institute of Personnel and Development.

Rachel Sedgwick: Operations Coordinator, United Kingdom

Biography

Rachel Sedgwick is the Operations Co-Ordinator, of Cash Store Limited, a division of The Cash Store Financial Services Inc. ("CSF"), Canada's largest provider of short-term advances traded on the Toronto Stock Exchange under the symbol "CSF" and on the New York Stock Exchange under the symbol "CSFS".

Sedgwick has extensive experience of operational matters, marketing and training in the field of alternative finance. Working for an alternative financial company, Cheque Exchange Ltd, a division of Provident Financial Plc for the last 15 years, she was responsible for the marketing and training of over 800 agents throughout the UK. As the Operations Co-Ordinator, Rachel is responsible for the cheque cashing product in the UK branches plus training, UK Customer Care Program and the Management of the UK Corporate offices and Administrators.

Corporate Positions

Ms. Sedgwick's previous positions include Sales and Marketing Manager, Business Development Manager, Assistant Call Centre Manager, Cheque Exchange Ltd.

Education

Born and raised in Dewsbury, West Yorkshire. Ms. Sedgwick attended Bradford Business College where she studied Marketing Management.

Community

Sedgwick works in partnership with her husband running and raising funds for a local rugby league junior team, which is aimed at making sport accessible to children from all backgrounds.

Jamie Burgoyne: General Manager, Credit & Collections, United Kingdom

Biography

Jamie Burgoyne is the General Manager of Credit & Collections of Cash Store Limited, UK Division, a division of The Cash Store Financial Services Inc. ("CSF"), Canada's largest provider of short-term advances

traded on the Toronto Stock Exchange under the symbol "CSF" and on the New York Stock Exchange under the symbol "CSFS". Jamie has over 16 years' experience in the banking & financial services industry.

Corporate Positions

Jamie started out in customer service for Lloyds TSB, he moved on to Welcome Financial Services where he was promoted to Branch Manager with full oversight for lending & collections in a number of different locations. Staying in the consumer finance space but diversifying into motor Hire Purchase, he moved to Cygnet Financial Services where he was appointed Assistant Manager, where again his responsibilities involved underwriting sign-off & collections for a client with nationwide coverage.
Jamie then moved into commercial mortgages for the Blemain Group, where he held the position of Underwriting Manager. After this, he moved to Homeloan Management Limited in 2006, the biggest business outsourcing company in the UK, where he held the position of Department Manager of New Lending, before moving into the role of Operations Manager of Credit Management, servicing a number of high profile, multi-national clients.

Education

Jamie studied at Runshaw College, where he obtained A-Levels in English Language & Literature, British Government & Politics, General Studies & Sports Science.

Ian Clarkson: Information Management Lead, United Kingdom

Biography

Ian Clarkson is the Information Management (IM) Lead for the UK division of the Cash Store Financial group of companies.

Corporate Positions

Ian is a well-established IT professional, having completed his BSc (Hons) degree in Business Information Technology. Ian has over 10 years' experience in the IT industry specializing in the areas of Technical Consultancy, Software Development, Project Management and Service Delivery Management. In his time in the IT industry Ian has gained many, industry recognized, certifications including Microsoft Certified Technical Specialist (MCTS) and ITIL v3.

Some of his notable career achievements include:

- Design, delivery and support of enterprise-level Information Systems across UK government and Telecommunications sectors, supporting over 10,000 users.
- Delivery of a comprehensive Training Program to support a nationwide UK government Information System rollout.
- Design and delivery of complex enterprise-level relational and multi-dimensional database architectures.

Education

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