

TTT MONEYCORP LIMITED

**ANNUAL REPORT
&
FINANCIAL STATEMENTS**

for the year ended 31 August 2004

73885



Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

BANKERS

HSBC Bank plc
West End Corporate Banking Centre
70 Pall Mall
London SW1Y 5EZ

The Royal Bank of Scotland
Corporate Banking London
9th Floor
280 Bishopsgate
London EC2M 4RB

Barclays Bank plc
Knightsbridge Business Centre
P.O. Box No. 32014
London NW1 2ZG

SOLICITORS

Berwin Leighton Paisner
Adelaide House
London Bridge
London EC4R 9HA

TRADING NAMES

TTT Foreign Exchange Corporation
The Money Corporation
Moneycorp
TTT Coins & Medals
minimoney

REGISTERED OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

COMPANY REGISTRATION NUMBER

738837

DATE OF INCORPORATION

25th October 1962

COMPANY SECRETARY

S Mullens

HEAD OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

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Directors' report

FOR THE YEAR ENDED 31 AUGUST 2004

The Directors present their report and the audited financial statements for the year ended 31 August 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the operation of retail bureaux de change, the provision of wholesale currency services and the supply of spot and forward foreign exchange services to businesses and individuals.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Board is pleased to report an increase in both turnover and profits in excess of 30% for the year, reflecting continued investment in technology, new locations and staff. The opening of our new bespoke dealing operation, the commencement of trading at Stansted Airport coupled with significant further investment in our systems and management provides a solid platform for further growth in the coming year.

RESULTS

The profit and loss account for the year is set out on page 4.

DIVIDENDS

The Directors have declared and paid an interim and final dividend totalling £1,000,000 being the total for the year – (2003: £1,000,000). Further details are shown in note 8 to the financial statements.

DIRECTORS

The Directors listed below have served during the year and up to the date of this report:

B Shlewet

S Mullens

D Knowlden

M Weinberg

Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2004

CHARITIES AND DONATIONS

During the year, the Company made donations in the UK for charitable purposes amounting to £5,075 (2003: £4,610). £3,250 was paid to industry sponsored charities relating to cancer and famine relief and the balance of £1,825 was paid to local charities. No donations were made for political purposes.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

None of the Directors who held office during the year had any disclosable interests in the shares of the Company at 31 August 2004, or at any time during the year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing those financial statements the directors are required to:

- *select suitable accounting policies and apply them consistently;*
- *make judgements and estimates that are reasonable and prudent;*
- *state whether applicable 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.*

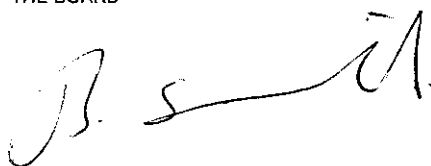
The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking all reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

B Shlewet
Director



Independent auditors' report to the members of TTT Moneycorp Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come, save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 August 2004 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

2nd December 2004

Profit and loss account

FOR THE YEAR ENDED 31 AUGUST 2004

		2004	2003
	Notes	£	£
TURNOVER - gross value of currencies and other sales	2	1,954,983,344	1,496,387,199
Cost of sales - gross value of currencies and other purchases		(1,932,178,637)	(1,477,518,963)
GROSS PROFIT		22,804,707	18,868,236
Administrative expenses		(18,707,011)	(15,757,002)
OPERATING PROFIT	3	4,097,696	3,111,234
Interest receivable and similar income		291,897	119,665
Interest payable and similar charges	6	(10,780)	(3,398)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,378,813	3,227,501
Taxation on profit on ordinary activities	7	(1,328,657)	(972,360)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,050,156	2,255,141
Dividends paid and proposed	8	(1,000,000)	(1,000,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		2,050,156	1,255,141

	2004	2003
	£	£
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September	6,343,796	5,088,655
Retained profit for the year	2,050,156	1,255,141
RETAINED PROFITS AT 31 AUGUST	8,393,952	6,343,796

All the operations in both years were continuing and there were no acquisitions in either year.

The Company has no recognised gains or losses for the year other than the profits above and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation or the retained profit for the year as stated above, and their historical cost equivalents.

Balance sheet

AS AT 31 AUGUST 2004

	Notes	2004 £	2004 £	2003 £	2003 £
FIXED ASSETS					
Tangible assets	9		1,610,602		1,424,714
CURRENT ASSETS					
Stocks (non-cash)	10	89,168		97,451	
Debtors	11	40,520,215		33,941,423	
Investments	12	-		21,817	
Cash at bank and in hand	13	29,849,294		20,813,992	
		70,458,677		54,874,683	
CREDITORS					
Amounts falling due within one year	14	(63,325,327)		(49,605,601)	
NET CURRENT ASSETS			7,133,350		5,269,082
TOTAL ASSETS LESS CURRENT LIABILITIES			8,743,952		6,693,796
CAPITAL AND RESERVES					
Called up share capital	15		350,000		350,000
Profit and loss account			8,393,952		6,343,796
EQUITY SHAREHOLDERS' FUNDS	16		8,743,952		6,693,796

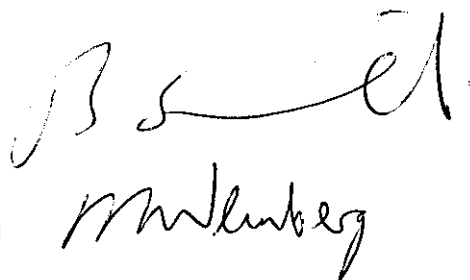
Approved by the Board on 25 November 2004

and signed on its behalf by:

DIRECTORS

B Shlewet

M Weinberg



Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 2004	2004 £	2004 £	2003 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		11,701,264		9,171,770
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	291,897		119,665	
Interest paid	(10,780)		(3,398)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		281,117		116,267
TAXATION				
UK corporation tax paid		(1,299,215)		(607,893)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(685,083)		(327,142)	
Proceeds on disposal of tangible fixed assets	37,219		18,449	
		(647,864)		(308,693)
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING		10,035,302		8,371,451
EQUITY DIVIDENDS PAID		(1,000,000)		(1,038,000)
INCREASE IN CASH BALANCES (SEE BELOW)		9,035,302		7,333,451
Opening cash balances		20,813,992		13,480,541
Closing cash balances		29,849,294		20,813,992
INCREASE IN CASH BALANCES (SEE NOTE 13)		9,035,302		7,333,451
NOTE TO THE CASH FLOW				
RECONCILIATION OF OPERATING PROFIT TO CASH				
INFLOW FROM OPERATIONS				
Operating profit		4,097,696		3,111,234
Depreciation	496,849		527,823	
(Profit) on sale of fixed assets	(34,873)		(10,384)	
Loss/(Profit) on sale/revaluation of investments	5,025		(3,044)	
Decrease in investments	16,792		-	
Decrease in stocks	8,283		29,867	
(Increase)/Decrease in debtors	(6,578,792)		9,220,000	
Increase/(Decrease) in creditors	13,690,284		(3,703,726)	
		7,603,568		6,060,536
NET CASH INFLOW FROM OPERATING ACTIVITIES		11,701,264		9,171,770

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

① PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom. A summary of the more important accounting policies of the Company, which have been applied consistently, is set out below.

a) BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention.

b) TANGIBLE FIXED ASSETS

Short leasehold properties are stated at cost or valuation less accumulated depreciation. The cost of other tangible fixed assets is their purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates and bases used for this purpose are:

<i>Motor vehicles</i>	- 25% straight line
<i>Fixtures and fittings</i>	- 15% straight line
<i>Computer systems</i>	- 25% straight line

Leasehold properties are amortised over the period of the leases and improvements to leasehold properties over the expected life of those improvements.

c) STOCKS

Stocks include maps, phonecards, gold coins, mobile phone top-up vouchers etc., which are stated at the lower of cost and net realisable value. Cash held for trading is shown as part of cash at bank and in hand.

d) INVESTMENTS

Investment holdings are valued at the lower of cost and net realisable values as at the balance sheet date. Listed investments are written down to market value when this is lower than cost.

e) FOREIGN CURRENCIES

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction took place. Monetary assets and other liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in arriving at the operating profit. The gross asset and liability relating to foreign currency exchange contracts are reported in the balance sheet under debtors and creditors respectively.

f) TURNOVER

Turnover, which excludes Value Added Tax, represents the gross value of currencies traded as a result of the Company's operation of bureaux de change, its wholesale trading operation and its commercial foreign currency exchange business. It also includes sales of travellers cheques and transactions involving money transfers, bankers' drafts, credit cards and encashment of personal cheques. Agency commissions and fees received on other items are also included. Purchases relating to the above transactions are treated as cost of sales.

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

① PRINCIPAL ACCOUNTING POLICIES *continued*

g) DEFERRED TAXATION

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable results and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

h) OPERATING LEASES

Costs in respect of operating leases are charged on a straight-line basis in arriving at operating profit.

i) PENSION SCHEME

The Company operates a defined contribution pension scheme for some of its employees. The cost to the Company is charged to the profit and loss account as incurred.

② TURNOVER - gross value of currencies and other sales

Turnover consists of sales made in the United Kingdom.

③ OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004	2003
	£	£
• Auditors' remuneration	34,190	27,759
• Amounts payable to auditors for non-audit services	26,994	21,600
• Operating lease rentals - other	1,110,374	1,019,362
• Depreciation of tangible fixed assets	496,849	527,823
• (Profit) on disposal of tangible fixed assets	(34,873)	(10,384)
• Loss on sale of investment	5,025	-
• Net differences on foreign currency translation	313	533

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

④ DIRECTORS' EMOLUMENTS

	2004	2003
	£	£
Aggregate emoluments (including benefits) for management services and services as Directors	483,635	412,275
Pension contributions	33,992	17,312
	<u>517,627</u>	<u>429,587</u>

Two Directors accrued benefits under money purchase schemes (2003: two)

Amounts paid in respect of the highest paid Director are as follows:

Aggregate emoluments (including benefits)	342,904	287,127
Company contributions to a self-administered pension scheme	31,620	15,000
	<u>374,524</u>	<u>302,127</u>

⑤ EMPLOYEE INFORMATION

a) The average number of persons employed by the Company, including Executive Directors, during the year is analysed below:

	2004	2003
	<i>number</i>	<i>number</i>
Management and administration	47	42
Operations	201	175
	<u>248</u>	<u>217</u>

b) Employment costs - all employees including Directors:

	2004	2003
	£	£
Aggregate gross wages and salaries	7,368,757	6,033,689
Employer's National Insurance contributions	784,210	604,696
Pension costs	77,431	53,915
	<u>8,230,398</u>	<u>6,692,300</u>

⑥ INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Interest payable on sums wholly repayable within 5 years not by instalments:		
Bank interest	5,589	2,242
Other interest payable	5,191	1,156
	<u>10,780</u>	<u>3,398</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

⑦ TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) ANALYSIS OF CHARGE IN PERIOD

	2004	2003
	£	£
Current tax:		
UK corporation tax for the period at 30%	1,334,309	1,032,758
Adjustments in respect of previous periods	6,767	(2,287)
Group relief received	(16,901)	(21,257)
Total current tax (note 7(b))	1,324,175	1,009,214
Deferred tax:		
Origination and reversal of timing differences	4,482	(36,854)
Tax on profit on ordinary activities	1,328,657	972,360

b) FACTORS AFFECTING TAX CHARGE FOR PERIOD

	2004	2003
	£	£
The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Profit on ordinary activities before tax	4,378,813	3,227,501
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	1,313,644	968,251
Effects of:		
Expenses not deductible for tax purposes	37,253	9,824
Depreciation for period in excess of capital allowances	(12,088)	54,683
Other timing differences	(4,500)	-
Adjustments to tax charge in respect of previous periods	6,767	(2,287)
Group relief received	(16,901)	(21,257)
Current tax charge for period (note 7(a))	1,324,175	1,009,214

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

⑧ DIVIDENDS

	2004	2003
	£	£
Interim and final dividends paid	1,000,000	1,000,000
	1,000,000	1,000,000

Total: 285.71 pence per share (2003: 285.71 pence per share).

9 TANGIBLE ASSETS

	Leasehold improvements	Motor vehicles	Fixtures and fittings	Computer systems	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 September 2003	1,469,184	241,431	3,539,187	767,129	6,016,931
Additions	9,394	152,128	382,477	141,084	685,083
Disposals	-	(110,866)	-	-	(110,866)
At 31 August 2004	1,478,578	282,693	3,921,664	908,213	6,591,148
DEPRECIATION					
At 1 September 2003	1,076,999	187,846	2,831,220	496,152	4,592,217
Charge for year	40,620	31,803	302,393	122,033	496,849
Disposals	-	(108,520)	-	-	(108,520)
At 31 August 2004	1,117,619	111,129	3,133,613	618,185	4,980,546
NET BOOK VALUE					
At 31 August 2004	360,959	171,564	788,051	290,028	1,610,602
At 31 August 2003	392,185	53,585	707,967	270,977	1,424,714

⑩ STOCKS

	2004	2003
	£	£
Stocks of maps, phonecards, gold coins, mobile phone top-up vouchers etc.	89,168	97,451

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

(11) DEBTORS	2004	2003
	£	£
Trade debtors	39,750,871	33,314,428
Other debtors	182,757	159,959
Deferred tax asset	32,372	36,854
Prepayments and accrued income	554,215	430,182
	<u>40,520,215</u>	<u>33,941,423</u>

Deferred tax asset	2004	2003
	£	£
At 1 September 2003	36,854	-
(Charged)/Credited to the profit and loss account	(4,482)	36,854
At 31 August 2004	<u>32,372</u>	<u>36,854</u>

The deferred tax balance is analysed as follows: the accumulated excess of depreciation over corresponding capital allowances £32,372 (2003: £32,354), and short term timing differences £ Nil (2003: £4,500). There is an additional deferred tax asset of £72,000 (2003: £72,000) relating to capital losses carried forward which has not been recognised due to the uncertainty of their recovery.

(12) CURRENT ASSET INVESTMENTS	2004	2003
	£	£
Quoted US Securities (market value 2003 £21,817)	-	21,817

(13) CASH AT BANK AND IN HAND

At 31 August 2004, cash balances with banks included £21,341,323 (2003: £13,911,946) of customer deposits. The corresponding liability is included within trade creditors (note 14).

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

⑭ CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade creditors	60,966,451	47,584,650
Taxation and social security costs (see below)	1,111,918	967,739
Accruals and deferred income	1,246,958	1,053,212
	<u>63,325,327</u>	<u>49,605,601</u>

Taxation and social security costs are made up as follows:

	2004	2003
	£	£
United Kingdom corporation tax payable	719,833	701,501
PAYE and social security costs	392,085	266,238
	<u>1,111,918</u>	<u>967,739</u>

⑮ CALLED UP SHARE CAPITAL

	2004	2003
	<i>Ordinary shares of £1 each</i>	
Authorised		
- value	£1,000,000	£1,000,000
- number	1,000,000	1,000,000
Allotted, called up and fully paid		
- value	£350,000	£350,000
- number	350,000	350,000

⑯ RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit on ordinary activities after taxation	3,050,156	2,255,141
Ordinary dividends	(1,000,000)	(1,000,000)
Net additions to equity shareholders' funds	2,050,156	1,255,141
Opening equity shareholders' funds	6,693,796	5,438,655
Closing equity shareholders' funds	<u>8,743,952</u>	<u>6,693,796</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2004

⑰ CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

a) CONTRACTUAL COMMITMENTS

The Company leases certain premises on short-term leases/contracts. The rents payable in the next year under these leases, which are subject to renegotiation at various intervals specified in the leases and in respect of which the Company pays all insurance, maintenance and repairs, are as follows:

Date of termination of leases/contracts:	2004	2003
	£	£
Within one year	3,393,524	1,680,908
Within two to five years inclusive	53,000	27,500
After five years	1,025,994	973,385
	<u>4,472,518</u>	<u>2,681,793</u>

b) CAPITAL COMMITMENTS

Capital commitments at 31 August 2004 for which no provision has been made in these financial statements were as follows:

Capital expenditure contracted for but not provided for in the accounts at the balance sheet date

	2004	2003
	£	£
	<u>278,582</u>	<u>160,000</u>

⑱ ULTIMATE HOLDING COMPANY

The ultimate holding company is Winset Investments Limited, a company registered in Jersey, Channel Islands. This company is owned by a Shlewet family trust.

Apart from the dividends of £1,000,000 (2003: £1,000,000) paid or payable to the immediate parent company (note 8), there have been no transactions with group undertakings.