

738837

TTT MONEYCORP LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 31 August 2002



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Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

AUDITORS

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6RH

BANKERS

HSBC Bank plc
West End Business Banking Centre
83 Pall Mall
London SW1Y 5EZ

The Royal Bank of Scotland
Corporate Banking London
8th 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

REGISTERED OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

COMPANY REGISTRATION NUMBER

738837

DATE OF INCORPORATION

25th October 1962

COMPANY SECRETARY

S J Mullens

HEAD OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

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Directors' report

FOR THE YEAR ENDED 31 AUGUST 2002

The Directors present their report and the audited financial statements for the year ended 31 August 2002.

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 increased turnover and sustained profit levels for the year. The Company's resilience in the face of a significant downturn in visitors to the UK following the tragic events of September 11th, which coincided with the start of our financial year, reflects both the core strength of the business and the substantial investment made in all three trading divisions.

The Retail division doubled its number of airport branches during the year whilst the Wholesale and Commercial Foreign Exchange divisions benefited from significant upgrading of their dealing and processing systems.

The Board believes that this investment, together with the new senior management structure implemented over the last two years, will continue to deliver sustained growth and profitability.

EURO

We successfully planned and implemented the transition to dealing in the Euro and were able to capitalise on the withdrawal of the twelve legacy currencies.

RESULTS

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

DIVIDENDS

The directors propose a final dividend of £38,000 which, together with the interim dividends of £812,000, makes a total for the year of £850,000 (2001: £850,000). Further details are shown in note 8 to the financial statements.

DIRECTORS

The Directors listed below have served during the year:

B Shlewet

S J Mullens

D Knowlden

G Westwell (resigned 31 March 2002)

M Weinberg

Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2002

CHARITIES AND DONATIONS

During the year, the Company made donations in the UK for charitable purposes amounting to £3,300 (2001: £600). No donations were made for political purposes.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

No Directors held beneficial interests in the shares of the Company at 31 August 2002, 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.*

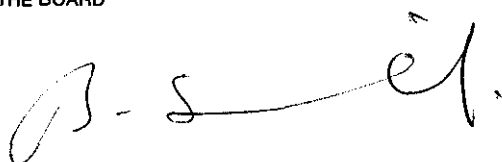
The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that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

AUDITORS

A resolution to reappoint PricewaterhouseCoopers 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 opinion has been prepared for and only for the Company's members 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.

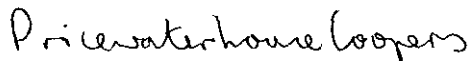
BASIS OF AUDIT OPINION

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 2002 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

Chartered Accountants

Registered Auditors

London

20 December 2002

Profit and loss account

FOR THE YEAR ENDED 31 AUGUST 2002

	Notes	2002 £	2001 £
TURNOVER - gross value of currencies and other sales	2	1,071,080,616	512,730,871
Cost of sales - gross value of currencies and other purchases		(1,056,739,597)	(500,546,578)
GROSS PROFIT		14,341,019	12,184,293
Administrative expenses		(12,362,188)	(10,172,655)
OPERATING PROFIT	3	1,978,831	2,011,638
Interest receivable and similar income		108,119	43,628
Interest payable and similar charges	6	(31,651)	(8,896)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,055,299	2,046,370
Taxation on profit on ordinary activities	7	(623,469)	(662,563)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,431,830	1,383,807
Dividends paid and proposed	8	(850,000)	(850,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		581,830	533,807

	2002 £	2001 £
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September	4,506,825	3,973,018
Retained profit for the year	581,830	533,807
RETAINED PROFITS AT 31 AUGUST	5,088,655	4,506,825

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

The Company has no recognised gains and 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 and the retained profit for the year stated above, and their historical cost equivalents.

Balance sheet

As restated (see note 1 (b))

AS AT 31 AUGUST 2002

	Notes	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS					
Tangible assets	9		1,633,460		1,334,911
CURRENT ASSETS					
Stocks	10	127,318		162,705	
Debtors	11	43,124,569		45,831,098	
Investments	12	18,773		28,504	
Cash at bank and in hand	13	13,480,541		9,155,838	
		56,751,201		55,178,145	
CREDITORS					
Amounts falling due within one year	14	(52,946,006)		(51,656,231)	
NET CURRENT ASSETS			3,805,195		3,521,914
TOTAL ASSETS LESS CURRENT LIABILITIES			5,438,655		4,856,825
CAPITAL AND RESERVES					
Called up share capital	15		350,000		350,000
Profit and loss account			5,088,655		4,506,825
EQUITY SHAREHOLDERS' FUNDS	16		5,438,655		4,856,825

Approved by the Board on 30 November 2002
and signed on its behalf by:

DIRECTORS

B Shlewet

M Weinberg

Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 2002

	2002	2002	2001	2001
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		6,598,882		5,629,173
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	108,119		44,044	
Interest paid	(31,651)		(11,327)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		76,468		32,717
TAXATION				
UK Corporation Tax paid		(708,349)		(719,452)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(771,613)		(348,488)	
(Exit costs)/proceeds on disposal of tangible fixed assets	3,315		(31,522)	
		(768,298)		(380,010)
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING		5,198,703		4,562,428
EQUITY DIVIDENDS PAID		(874,000)		(825,000)
INCREASE IN CASH BALANCES (SEE BELOW)		4,324,703		3,737,428
Opening cash balances		9,155,838		5,418,410
Closing cash balances		13,480,541		9,155,838
INCREASE IN CASH BALANCES (SEE NOTE 13)		4,324,703		3,737,428

NOTE TO THE CASH FLOW

RECONCILIATION OF OPERATING PROFIT TO CASH

INFLOW FROM OPERATIONS

Operating profit		1,978,831		2,011,638
Depreciation	469,597		368,623	
Loss/(Profit) on sale of fixed assets	152		32,642	
Loss on write down of investments	9,731		46,245	
Decrease/(Increase) in stocks	35,387		(22,664)	
Decrease/(Increase) in debtors	2,706,529		(293,146)	
Increase in creditors	1,398,655		3,485,835	
		4,620,051		3,617,535
NET CASH INFLOW FROM OPERATING ACTIVITIES		6,598,882		5,629,173

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

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) CHANGE IN BALANCE SHEET PRESENTATION

In the financial statements for the year ended 31 August 2001, commercial foreign exchange revenues and cost of sales were shown gross in the profit and loss account, to bring the presentation into line with the Company's other income streams, but the related debtors and creditors on forward contracts were shown on a net basis within creditors. In the opinion of the Directors this treatment is not consistent and they consider it would be more appropriate to present commercial foreign exchange transactions gross in both the profit and loss account and the balance sheet.

This year commercial foreign exchange debtors and creditors are presented on a gross basis and the comparative figures have been restated. This change in presentation has no effect on the results for 2001 or 2002.

c) TANGIBLE ASSETS

Short leasehold properties are stated at cost or valuation less accumulated depreciation. The cost of other tangible 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.

d) STOCKS

Stocks include maps, phonecards, souvenir and gold coins, etc., and are stated at the lower of cost and net realisable value.

e) 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.

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

1 PRINCIPAL ACCOUNTING POLICIES *continued*

f) 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.

g) 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 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.

h) 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.

i) OPERATING LEASES

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

j) PENSION SCHEME

The Company operates a defined contribution pension scheme for certain 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

	2002	2001
Operating profit is stated after charging/(crediting):	£	£
• Auditors' remuneration	26,950	32,172
• Amounts payable to auditors for non-audit services	11,715	12,320
• Operating lease rentals	1,017,035	912,203
• Depreciation of tangible fixed assets	469,597	368,623
• Loss on disposal of tangible fixed assets	152	32,642
• Write down of current asset investments	9,731	46,245
• Net differences on foreign currency translation	(8,344)	(4,167)

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

4 DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Aggregate emoluments for management services and services as Directors	343,306	305,508
Pension contributions	27,114	46,845
	<u>370,420</u>	<u>352,353</u>

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

Aggregate emoluments	208,782	201,672
Company contributions to a self-administered pension scheme	24,850	45,600
	<u>233,632</u>	<u>247,272</u>

5 EMPLOYEE INFORMATION

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

	2002	2001
	number	number
Management and administration	40	36
Operations	155	136
	<u>195</u>	<u>172</u>

- b) Employment costs - all employees including Directors:

	2002	2001
	£	£
Aggregate gross wages and salaries	4,808,876	3,896,081
Employer's National Insurance contributions	463,407	383,986
Pension costs	51,202	64,656
	<u>5,323,485</u>	<u>4,344,723</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Interest payable on sums wholly repayable within 5 years not by instalments		
Bank Interest	6,105	2,371
Other interest payable	25,546	6,525
	<u>31,651</u>	<u>8,896</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) ANALYSIS OF CHARGE IN PERIOD

	2002	2001
	£	£
Current tax:		
UK corporation tax on profits of the period at 30%	662,816	692,578
Adjustments in respect of previous periods	(11,061)	(147)
Group relief received	(28,286)	(29,868)
Total current tax (note 7(b))	623,469	662,563

b) Factors affecting tax charge for period

	2002	2001
	£	£
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	2,055,299	2,046,370

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)

616,590	613,911
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Effects of:

Expenses not deductible for tax purposes	14,340	13,024
Depreciation for period in excess of capital allowances	31,886	41,786
Other timing differences	-	23,857
Adjustments to tax charge in respect of previous periods	(11,061)	(147)
Group relief received	(28,286)	(29,868)
Current tax charge for period (note 7(a))	623,469	662,563

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

8 DIVIDENDS	2002	2001
	£	£
Interim dividends paid	812,000	788,000
Final dividend proposed	38,000	62,000
	850,000	850,000

Total: 242.86 pence per share (2001: 242.86 pence per share).

9 TANGIBLE ASSETS	Short leasehold properties £	Motor vehicles £	Fixtures and fittings £	Computer systems £	Total £
COST					
At 1 September 2001	1,469,184	235,661	2,793,785	476,529	4,975,159
Additions	-	3,925	621,921	145,767	771,613
Disposals	-	(3,920)	-	-	(3,920)
At 31 August 2002	1,469,184	235,666	3,415,706	622,296	5,742,852
DEPRECIATION					
At 1 September 2001	954,550	179,669	2,199,947	306,082	3,640,248
Charge for year	70,365	30,532	289,060	79,640	469,597
Disposals	-	(453)	-	-	(453)
At 31 August 2002	1,024,915	209,748	2,489,007	385,722	4,109,392
NET BOOK VALUE					
At 31 August 2002	444,269	25,918	926,699	236,574	1,633,460
At 31 August 2001	514,634	55,992	593,838	170,447	1,334,911

10 STOCKS	2002	2001
	£	£
Stocks of maps, phonecards, souvenir and gold coins, etc.	127,318	162,705

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

		As restated (see note 1 (b))
11 DEBTORS	2002	2001
	£	£
Trade debtors	42,732,900	45,424,304
Other debtors	147,100	49,471
Prepayments and accrued income	244,569	357,323
	<u>43,124,569</u>	<u>45,831,098</u>

12 INVESTMENTS	2002	2001
	£	£
Quoted US securities	<u>18,773</u>	<u>28,504</u>

13 CASH AT BANK AND IN HAND

At 31 August 2002, cash balances with banks included £8,388,992 (2001: £4,361,350) of customer deposits. The corresponding liability is included within trade creditors (Note 14).

		As restated (see note 1 (b))
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2002	2001
	£	£
Trade creditors	50,960,779	50,026,326
Proposed dividend	38,000	62,000
Taxation and social security costs (see below)	512,963	539,173
Accruals and deferred income	1,434,264	1,028,732
	<u>52,946,006</u>	<u>51,656,231</u>
Taxation and social security costs are made up as follows:		
United Kingdom corporation tax payable	300,180	385,060
PAYE and social security costs	212,783	154,113
	<u>512,963</u>	<u>539,173</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

15 CALLED UP SHARE CAPITAL

		2002	2001
		<i>Ordinary shares of £1 each</i>	
Authorised	- value	<u>£1,000,000</u>	<u>£1,000,000</u>
	- number	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid	- value	<u>£350,000</u>	<u>£350,000</u>
	- number	<u>350,000</u>	<u>350,000</u>

16 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit on ordinary activities after taxation	<u>1,431,830</u>	<u>1,383,807</u>
Ordinary dividends	<u>(850,000)</u>	<u>(850,000)</u>
Net additions to equity shareholders' funds	<u>581,830</u>	<u>533,807</u>
Opening equity shareholders' funds	<u>4,856,825</u>	<u>4,323,018</u>
Closing equity shareholders' funds	<u>5,438,655</u>	<u>4,856,825</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2002

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:

	2002	2001
	£	£
Date of termination of leases/contracts:		
Within one year	35,500	-
Within two to five years inclusive	27,500	63,000
After five years	939,650	789,650
	<u>1,002,650</u>	<u>852,650</u>

b) CAPITAL COMMITMENTS

Capital commitments at 31 August 2002 for which no provision has been made in these financial statements were as follows:

	2002	2001
	£	£
Capital expenditure authorised but not contracted	<u>250,000</u>	<u>150,000</u>

18 ULTIMATE HOLDING COMPANY

The ultimate holding company is Winset Investments Limited, a company registered in Jersey, Channel Islands.

Apart from the dividends of £850,000 (2001: £850,000) paid or payable to the immediate parent company (note 8), there have been no transactions with group undertakings.