

TTT MONEYCORP LIMITED



ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1995

Annual Report and Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

AUDITORS

Coopers & Lybrand
1 Embankment Place
London WC2N 6NN

Munslow Messias
1st Floor
143 - 149 Great Portland Street
London W1N 5FB

BANKERS

Midland Bank plc
West End Business Banking Centre
70 Pall Mall
London SW1Y 5EZ

National Westminster Bank plc
Mayfair & Piccadilly
Corporate Banking
24 Albemarle Street
London W1X 4JS

Barclays Bank plc
Belgravia & Knightsbridge
Business Centre
P.O. Box No. 4578
155 Brompton Road
London SW3 1XD

SOLICITORS

Marriott Harrison
12 Great James Street
London WC1 3DR

Denton Hall
Five Chancery Lane
Clifford's Inn
London EC4A 1BU

TRADING NAMES

TTT Foreign Exchange Corporation
The Money Corporation
TTT Travel Centre

REGISTERED OFFICE

Plumtree Court
London EC4A 4HT

COMPANY REGISTRATION

Number 738837

DATE OF INCORPORATION

25th October 1962

COMPANY SECRETARY

S J Mullens

HEAD OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

Contents

Directors' Report	1-2
Report of the Auditors	3
Abbreviated Profit and Loss Account	4-5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Abbreviated Financial Statements	8-16

Directors' Report

FOR THE YEAR ENDED 31 AUGUST 1995

The directors present herewith their report together with the audited abbreviated financial statements for the year ended 31 August 1995.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of bureau de change, currency exchange and travel services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are pleased to report that the 1995 results show another satisfactory year of trading with margins and profitability being maintained not withstanding the cost of developing new business opportunities, which will make a contribution in future years. The Company's commitment to the highest standards of customer service is reinforced by our progression towards the achievement of the BS EN ISO 9002 international quality standard.

RESULTS

The profit and loss account for the year is set out on pages 4 and 5.

DIVIDENDS

The directors have paid an interim dividend of £330,500 on 31st July 1995 (1994: £225,000).

No final dividend is proposed.

DIRECTORS

The directors listed below have served throughout the year:

B Shlewet
S J Mullens
N M Shannon
A B Trembeth

Directors' Report (continued)

FOR THE YEAR ENDED 31 AUGUST 1995

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the abbreviated financial statements.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

No directors held beneficial interests in the shares of the Company at 31 August 1995, 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 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 Coopers & Lybrand and Munslow Messias as joint auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



S J Mullens
Secretary

30 November 1995

*Report of the Auditors
To the directors of TTT Moneycorp Limited
Under paragraph 24 of Schedule 8 to the Companies Act 1985*

We have examined the abbreviated financial statements on pages 4 to 16 together with the full financial statements of TTT Moneycorp Limited for the year ended 31 August 1995. The scope of our work for the purpose of this report was limited to confirming that the Company is entitled to the exemptions claimed in the directors' statement on page 6, and that the abbreviated financial statements have been properly prepared from the annual financial statements.

In our opinion the Company is entitled to the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

We reported as auditors of TTT Moneycorp Limited to the members on 30 November 1995 on the Company's annual financial statements prepared under section 226 of the Companies Act 1985 and our report was as follows:

We have audited the financial statements on pages 4 to 16.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF 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.

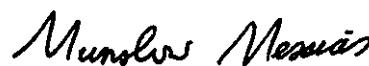
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurances that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 Company's affairs at 31 August 1995 and of its profit, total recognised gains, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


COOPERS & LYBRAND

Chartered Accountants
Registered Auditors
London
30 November 1995



MUNSLOW MESSIAS

Registered Auditors
London
30 November 1995

Abbreviated Profit and Loss Account

FOR THE YEAR ENDED 31 AUGUST 1995

	Notes	1995 £	1994 £
GROSS PROFIT	2	6,230,231	5,488,056
Net operating expenses		(5,183,613)	(4,503,965)
OPERATING PROFIT	3	1,046,618	984,091
Interest receivable and similar income		2,563	316
Interest payable and similar charges	6	(38,664)	(64,224)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,010,517	920,183
Taxation on profit on ordinary activities	7	(366,300)	(338,155)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		644,217	582,028
Dividends paid and proposed	8	(330,500)	(225,000)
RETAINED PROFIT FOR THE YEAR		£313,717	£357,028

	1995 £	1994 £
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September 1994	1,640,461	1,283,433
Retained profit for the year	313,717	357,028
RETAINED PROFITS AT 31 AUGUST 1995	£1,954,178	£1,640,461

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

There were no recognised gains and losses except for the retained profit for the year.

Abbreviated Profit and Loss Account (continued)

FOR THE YEAR ENDED 31 AUGUST 1995

	1995	1994
	£	£
STATEMENT OF HISTORICAL COST PROFIT AND LOSS		
Profit on ordinary activities before taxation	1,010,517	920,183
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	21,951	21,951
Historical cost profit on ordinary activities before taxation	£1,032,468	£942,134
Historical cost profit for the year retained after taxation and dividends	£335,668	£378,979

	1995	1994
	£	£
RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS		
Profit on ordinary activities after taxation	644,217	582,028
Ordinary dividends	(330,500)	(225,000)
Issue of shares	100,000	-
Net additions to shareholders' funds	413,717	357,028
Shareholders' funds at 31st August 1994	1,890,461	1,533,433
Shareholders' funds at 31st August 1995	£2,304,178	£1,890,461

Balance Sheet

AS AT 31 AUGUST 1995

	Notes	1995 £	1995 £	1994 £	1994 £
FIXED ASSETS					
Tangible assets	9		2,120,885		2,079,898
CURRENT ASSETS					
Stocks	10	15,198		7,916	
Debtors	11	267,635		351,361	
Cash at bank and in hand		1,380,295		1,205,746	
		1,663,128		1,565,023	
CREDITORS:					
Amounts falling due within one year	12	(1,362,718)		(1,482,183)	
NET CURRENT ASSETS					
			300,410		82,840
TOTAL ASSETS LESS CURRENT LIABILITIES					
			2,421,295		2,162,738
CREDITORS:					
Amounts falling due after more than one year	13	(62,500)		(218,795)	
PROVISION FOR LIABILITIES AND CHARGES					
	14	(54,617)		(53,482)	
			(117,117)		(272,277)
			£2,304,178		£1,890,461
CAPITAL AND RESERVES					
Called up share capital	15		350,000		250,000
Profit and loss account			1,954,178		1,640,461
EQUITY SHAREHOLDERS' FUNDS					
			£2,304,178		£1,890,461

Advantage has been taken of the exemptions for medium sized companies conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, as it meets the conditions, the Company is entitled to benefit from these exemptions as a medium sized company.

Approved by the board on 30th November 1995 and signed on their behalf by:

DIRECTORS

B Shlewet

S J Mullens

Cash Flow Statement

FOR THE YEAR ENDED 31 AUGUST 1995

	1995 £	1995 £	1994 £	1994 £
CASH INFLOW FROM OPERATIONS				
Operating profit		1,046,618		984,091
Depreciation	456,399		453,128	
(Profit) on sale of fixed assets	-		(1,894)	
(Increase) in stocks	(7,282)		(7,916)	
Decrease in debtors	83,726		8,678	
(Decrease) in creditors	(90,970)		(60,052)	
		441,873		391,944
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,488,491		1,376,035
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	2,563		316	
Bank loan and overdraft interest paid	(33,522)		(58,640)	
Interest paid on finance leases	(5,142)		(5,584)	
Dividends paid	(330,500)		(225,000)	
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(366,601)		(288,908)
		1,121,890		1,087,127
TAXATION				
UK corporation tax paid		(423,356)		(82,292)
INVESTING ACTIVITIES				
Tangible fixed assets acquired	(497,386)		(248,713)	
Tangible fixed assets sold	-		5,900	
		(497,386)		(242,813)
NET CASH INFLOW BEFORE FINANCING		201,148		762,022
FINANCING				
Issue of ordinary share capital	100,000		-	
Repayment of long-term borrowings	(146,098)		(156,832)	
Repayment of principal under finance leases	(40,578)		(55,453)	
NET CASH FLOW FROM FINANCING		(86,676)		(212,285)
INCREASE IN CASH AND CASH EQUIVALENTS (SEE BELOW)		£114,472		£549,737
Increase in cash balances		174,549		229,535
(Increase)/ Decrease in bank overdrafts		(60,077)		320,202
		£114,472		£549,737

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

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 modified by the revaluation of certain tangible fixed assets.

(b) 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:-

Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% straight line
Computer systems	- 25% straight line

Leasehold properties are amortised over the period of the lease.

(c) STOCKS

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

(d) 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.

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) TURNOVER

Turnover, which excludes value added tax, represents sales and commissions relating to the exchange of currencies, travellers cheques, personal cheques, and credit card transactions, and commissions on travel, insurance and theatre booking services.

(f) DEFERRED TAXATION

Deferred taxation is provided to take account of timing differences between the treatment of certain items for financial statements purposes and their treatment for tax purposes. Provision is made to the extent that timing differences are expected to reverse using the tax rate that is expected to apply at the date of their reversal.

(g) FINANCE AND OPERATING LEASES

Costs in respect of operating leases are charged on a straight line basis in arriving at operating profit. Where assets are financed by leasing agreements which give substantially the same rights as ownership (finance leases) the assets are treated as if they had been purchased outright at the capital value of the assets, and the corresponding leasing commitments are shown as obligations to the lessor. The capital element of lease payments is applied to reduce the outstanding obligations and the interest is charged to the profit and loss account over the period of the lease.

(h) 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. GROSS PROFIT

Gross profit consists of turnover plus other operating income less cost of sales.

3. OPERATING PROFIT

Operating profit is stated after charging:-

	1995	1994
	£	£
Auditors' remuneration	24,538	20,936
Operating lease rentals	543,283	434,074
Depreciation of tangible fixed assets	456,399	453,128
(Profit) on disposal of tangible fixed assets	-	(1,894)

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

4. DIRECTORS' EMOLUMENTS

	1995 £	1994 £
Emoluments including pension contributions and benefits in kind:-		
For management services	218,695	234,536
For service as directors	9,750	6,208
For consultancy services	35,360	16,102
	£263,805	£256,846

Directors' emoluments, excluding pension contributions, are as follows:-

	1995 £	1994 £
Emoluments of chairman and highest paid director	£148,695	£134,536

Number of directors, including the chairman and highest paid director, whose emoluments were within the ranges:-

	1995	1994
£0 to £5,000	1	1
£10,001 to £15,000	1	2
£25,001 to £30,000	1	-
£130,001 to £135,000	-	1
£145,001 to £150,000	1	-

5. EMPLOYEE INFORMATION

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

	1995	1994
Management and administration	21	18
Operations	79	63
	100	81

- (b) Employment costs - all employees including executive directors:-

	1995 £	1994 £
Aggregate gross wages and salaries	1,710,009	1,407,108
Employer's national insurance contributions	164,952	158,272
Pension costs	78,357	108,214
	£1,953,318	£1,673,594

There were no outstanding or prepaid pension contributions at the balance sheet date.

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

6. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable on sums wholly repayable within 5 years

	1995	1994
	£	£
By instalments	17,421	29,963
Not by instalments	21,243	34,261
	£38,664	£64,224

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
	£	£
United Kingdom corporation tax based on the profit for the year at 33% (1994: 33%)	394,165	356,321
Group relief received	(29,000)	(33,433)
Deferred taxation	1,135	15,475
	366,300	338,363
Prior year adjustments:-		
United Kingdom corporation tax	-	(208)
	£366,300	£338,155

8. DIVIDENDS PAID AND PROPOSED

	1995	1994
Dividend paid and proposed of:		
132.2 pence per share (1994: 90 pence per share).	£330,500	£225,000

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

9. TANGIBLE ASSETS

	SHORT LEASEHOLD PROPERTY £	MOTOR VEHICLES £	FIXTURES AND FITTINGS £	COMPUTER SYSTEMS £	TOTAL £
COST OR VALUATION					
At 1 September 1994	1,888,667	103,655	1,481,005	269,400	3,742,727
Expenditure	129,849	13,850	286,434	67,253	497,386
Disposals	-	-	-	-	-
At 31 August 1995	2,018,516	117,505	1,767,439	336,653	4,240,113
DEPRECIATION					
At 1 September 1994	802,936	83,027	642,244	134,622	1,662,829
Charge for year	167,973	7,895	202,948	77,583	456,399
Disposals	-	-	-	-	-
At 31 August 1995	970,909	90,922	845,192	212,205	2,119,228
NET BOOK VALUE					
At 31 August 1995	£1,047,607	£26,583	£922,247	£124,448	£2,120,885
At 31 August 1994	£1,085,731	£20,628	£838,761	£134,778	£2,079,898

(a) Short leasehold property is included on the following basis:-

	£
Cost at 1 September 1994	1,738,667
Revaluation in 1987	680,317
Downward revaluation in 1992	(530,317)
Additions at cost in 1995	129,849
	£2,018,516

(b) The historical cost and related depreciation of short leasehold property are set out below:-

	1995 £	1994 £
Historical cost	1,868,516	1,738,667
Depreciation based on cost	(905,056)	(759,034)
Net book value	£963,460	£979,633

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

9. TANGIBLE ASSETS (CONTINUED)

- (c) Included in computer systems are leased assets with a net book value of £35,993 (1994 - £66,188) on which the associated depreciation for the year was £30,195 (1994 - £30,195).

10. STOCKS

	1995	1994
	<u>£15,198</u>	<u>£7,916</u>
Stocks of maps, souvenir coins etc.		

11. DEBTORS

	1995	1994
	£	£
Trade debtors	73,953	113,801
Amounts owed by holding company	-	57,500
Other debtors	48,463	61,703
Prepayments and accrued income	145,219	118,357
	<u>£267,635</u>	<u>£351,361</u>

All the above amounts are due within one year of the balance sheet date with the exception of a rent deposit of £15,000 which is held on trust for the due performance by the company of a certain property lease obligation. The deposit bears interest for the benefit of the company and is repayable on termination of the relevant lease. Trade debtors relate substantially to amounts owed from credit card companies.

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£	£
Bank overdrafts (see (a) below)	196,472	136,395
Bank loans (see (a) below)	145,305	145,833
Trade creditors	168,332	99,775
Taxation and social security costs (see (b) below)	440,404	478,344
Finance leases and hire purchase contracts	13,316	43,169
Accruals and deferred income	398,889	578,667
	£1,362,718	£1,482,183

- (a) Bank loans and overdrafts amounting to £321,472, including the amount detailed in note 13 below, are secured by a fixed charge over two of the Company's leasehold properties. Interest is charged at the rate of 2% - 2.25% above the bank's base rate.

- (b) Taxation and social security costs are made up as follows:-

	1995	1994
	£	£
United Kingdom corporation tax payable	365,165	423,356
PAYE and Social Security	75,239	54,988
	£440,404	£478,344

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995	1994
	£	£
Finance leases and hire purchase contracts	-	10,725
Bank loans	62,500	208,070
	£62,500	£218,795

All of these amounts are repayable by instalments within 2 to 5 years. See note 12 (a) above.

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

14. PROVISION FOR LIABILITIES AND CHARGES

(a) Deferred taxation - analysis of provision and potential liability:-

	1995	1995	1994	1994
	FULL	FULL	FULL	FULL
	POTENTIAL	PROVISION	POTENTIAL	PROVISION
	LIABILITY	MADE	LIABILITY	MADE
	£	£	£	£
Accelerated capital allowances	<u>£54,617</u>	<u>£54,617</u>	<u>£53,482</u>	<u>£53,482</u>

(b) Movements on the provision for deferred taxation are as follows:-

	£
At 1 September 1994	<u>£53,482</u>
Transferred from profit and loss account	<u>1,135</u>
At 31 August 1995	<u>£54,617</u>

15. CALLED UP SHARE CAPITAL

		ORDINARY SHARES OF £1 EACH	
		1995	1994
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>£250,000</u>
- number		<u>350,000</u>	<u>250,000</u>

On 24th August 1995 100,000 £1 ordinary shares were issued at par for cash to the existing shareholders.

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1995

16. 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:-

	1995	1994
	£	£
Date of termination of leases/contracts:		
Within one year	300,024	252,693
Within two to five years inclusive	59,500	59,500
After five years	469,889	373,500
	<u>£829,413</u>	<u>£685,693</u>

(b) CAPITAL COMMITMENTS

Capital commitments at 31 August 1995 for which no provision has been made in these financial statements were as follows:-

	1995	1994
Capital expenditure authorised but not contracted	<u>£235,000</u>	<u>£110,000</u>

17. ULTIMATE HOLDING COMPANY

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