

738837

# ANNUAL REPORT FINANCIAL STATEMENTS

for the year ended 31 August 2005

**TTT MONEYCORP LIMITED**



# Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

## 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  
Financial Institutions Group  
Corporate Banking London  
9th Floor  
280 Bishopsgate  
London EC2M 4RB

Barclays Bank plc  
7th Floor, United Kingdom House  
180 Oxford Street  
London W1D 1EA

## 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 2005

The Directors present their report and the audited financial statements for the year ended 31 August 2005.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of commercial and wholesale foreign exchange services to businesses and individuals and the operation of retail bureaux de change.

## REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Board is pleased to report further significant growth in turnover and profits, reflecting in part the successful opening of our new Central London trading floor and the commencement of trading at Stansted Airport. Both of these new ventures were established smoothly and efficiently and are performing at planned levels. The broad trading base of the business which covers commercial, retail and wholesale foreign exchange has meant that the short-term adverse impact on tourism following the July 2005 terrorist activity has been more than compensated for by growth in other business areas. Further investment is planned in all areas of the Company, facilitating an increase in business capacity and expanding the range of products offered.

## RESULTS

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

## DIVIDENDS

The Directors have declared and paid an interim and final dividend totalling £1,250,000 being the total for the year (2004: £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 J Mullens

D Knowlden

M Weinberg

J Kent - Appointed 04/01/2005

## DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

None of the Directors who held office during the year had any disclosable interest in the shares of the Company at 31 August 2005, or at any time during the year.

## CHARITIES AND DONATIONS

During the year, the Company made donations in the UK for charitable purposes amounting to £10,975 (2004: £5,075). £7,250 was paid to industry sponsored charities relating to cancer and tsunami relief with the balance of £3,725 paid to local charities. No donations were made for political purposes.

## Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2005

### EMPLOYMENT OF DISABLED PERSONS

It is the policy of the Company to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled persons.

### INFORMATION TO EMPLOYEES

Appropriate action has been taken to develop arrangements aimed at providing Company employees with information on matters of concern to them, consulting with employees or their representatives, encouraging their involvement in the Company's performance and achieving an awareness on the part of employees of the financial and economic factors affecting the Company's performance.

### CORPORATE GOVERNANCE

The Directors intend, so far as possible and to the extent appropriate given the Company's size and the constitution of the Board, to comply with the Combined Code on Corporate Governance.

The Board has established an Audit Committee, which comprises non-executive Directors John Kent, Douglas Knowlden and Stephen Mullens, with formally delegated responsibilities. The Audit Committee meets at least twice a year and is responsible for ensuring that the financial performance of the company is properly monitored and reported. It is also responsible for appointing the auditors, ensuring the auditors' independence is not compromised and reviewing the reports on the Company from the auditors in relation to the accounts and internal control systems. The Board considers that a formal Remuneration Committee is not required at this stage in the Company's development, although any major change in the structure of remuneration packages of senior employees as a group is put before the Board. Furthermore at least one non-executive Director is involved in the regular review of senior management objectives, together with performance against these and the awarding of any related bonuses. The Board has not established a Nomination Committee as it regards the approval and appointment of Directors (whether executive or non-executive) as a matter for consideration by the whole Board.

### INTERNAL CONTROL

The Combined Code introduced a requirement that the Directors' review should be extended to cover not just internal financial controls but all controls including operations, compliance and risk management.

The Directors are responsible for the system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The key procedures that have been established and which are designed to provide effective internal control are as follows:

Management structure - the Board meets regularly and minutes of its meetings are maintained.

Financial reporting - budgets are prepared and reviewed by executive management. Any material variances to actual results are investigated.

Investment appraisal - the Company has a clearly defined framework for capital expenditure requiring approval by key personnel and the Board where appropriate.

## Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2005

The Company is a licenced Money Services Business (MSB) and treats anti-money laundering and fraud prevention as a major priority. The Board formally reviews anti-money laundering activity and trends every quarter. In addition to ongoing vigilance and reporting of issues in the normal course of business, the Company is pro-active in working with the relevant Government authorities to help shape industry best practice in dealing with this important area.

The Board has reviewed the effectiveness of the system of internal controls and it has considered the major business risks and the control environment. No significant control deficiencies were reported during the year.

Internal Audit - There is an Internal Audit function which reviews the effectiveness of systems and procedures for combating fraud and controlling risk throughout the business. Findings and recommendations are reviewed and signed off by senior management and are made available to Board members, the Audit Committee and the external auditors, PricewaterhouseCoopers LLP.

No weaknesses in internal control have resulted in any material losses, contingencies or uncertainty, which would require disclosure, as recommended by the guidance for Directors on reporting on internal control.

### 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 2005 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

*29<sup>th</sup> November 2005*

## Profit and loss account

FOR THE YEAR ENDED 31 AUGUST 2005

	Notes	2005 £	2004 £
TURNOVER - gross value of currencies and other sales	2	2,741,867,470	1,954,983,344
Cost of sales - gross value of currencies and other purchases		(2,710,369,595)	(1,932,178,637)
GROSS PROFIT		31,497,875	22,804,707
Administrative expenses		(26,684,393)	(18,707,011)
OPERATING PROFIT	3	4,813,482	4,097,696
Interest receivable and similar income		509,539	291,897
Interest payable and similar charges	6	(6,189)	(10,780)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,316,832	4,378,813
Taxation on profit on ordinary activities	7	(1,630,592)	(1,328,657)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,686,240	3,050,156
Dividends paid	8	(1,250,000)	(1,000,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		2,436,240	2,050,156

	2005 £	2004 £
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September	8,393,952	6,343,796
Retained profit for the year	2,436,240	2,050,156
RETAINED PROFITS AT 31 AUGUST	10,830,192	8,393,952

All the operations in both years were continuing operations.

The Company has no recognised gains or losses for the year other than the profit 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 2005

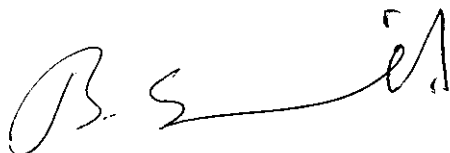
	Notes	2005 £	2005 £	2004 £	2004 £
<b>FIXED ASSETS</b>					
Tangible assets	9		2,332,871		1,610,602
Investments	10		2,069		-
			<u>2,334,940</u>		<u>1,610,602</u>
<b>CURRENT ASSETS</b>					
Stocks (non-cash)	11	87,180		89,168	
Debtors	12	78,176,149		40,520,215	
Cash at bank and in hand	13	<u>35,623,667</u>		<u>29,849,294</u>	
		113,886,996		70,458,677	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>(105,041,744)</u>		<u>(63,325,327)</u>	
<b>NET CURRENT ASSETS</b>			<u>8,845,252</u>		<u>7,133,350</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,180,192</u>		<u>8,743,952</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		350,000		350,000
Profit and loss account			10,830,192		8,393,952
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16		<u>11,180,192</u>		<u>8,743,952</u>

Approved by the Board on 24 November 2005

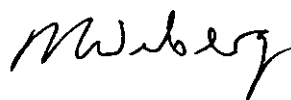
and signed on its behalf by:

DIRECTORS

B Shlewet



M Weinberg





## Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 2005

	2005 £	2005 £	2004 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		9,405,774		11,701,264
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	509,539		291,897	
Interest paid	(6,189)		(10,780)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		503,350		281,117
TAXATION				
UK corporation tax paid		(1,376,655)		(1,299,215)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(1,523,515)		(685,083)	
Proceeds on disposal of tangible fixed assets	17,488	(1,506,027)	37,219	(647,864)
ACQUISITIONS				
Purchase of shares in subsidiary undertakings		(2,069)		-
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING		7,024,373		10,035,302
EQUITY DIVIDENDS PAID		(1,250,000)		(1,000,000)
INCREASE IN CASH BALANCES (SEE BELOW)		5,774,373		9,035,302
Opening cash balances		29,849,294		20,813,992
Closing cash balances		35,623,667		29,849,294
INCREASE IN CASH BALANCES		5,774,373		9,035,302
NOTE TO THE CASH FLOW				
RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATIONS				
Operating profit		4,813,482		4,097,696
Depreciation	766,216		496,849	
Loss/(Profit) on sale of fixed assets	17,542		(34,873)	
Loss on sale/revaluation of investments	-		5,025	
Decrease in investments	-		16,792	
Decrease in stocks	1,988		8,283	
(Increase) in debtors	(37,638,188)		(6,578,792)	
Increase in creditors	41,444,734		13,690,284	
		4,592,292		7,603,568
NET CASH INFLOW FROM OPERATING ACTIVITIES		9,405,774		11,701,264

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

## 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.

Under the provision of Section 229 of the Companies Act 1985 the Company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the Company as an individual entity.

### 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 2005

## 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):

	2005	2004
	£	£
• Auditors' remuneration	36,075	34,190
• Amounts payable to auditors for non-audit services	5,581	26,994
• Operating lease rentals - other	1,398,364	1,110,374
• Depreciation of tangible fixed assets	766,216	496,849
• Loss/(Profit) on disposal of tangible fixed assets	17,542	(34,873)
• Loss on sale of investment	-	5,025
• Net differences on foreign currency translation	3,942	313

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

④	DIRECTORS' EMOLUMENTS	2005	2004
		£	£
	Aggregate emoluments (including benefits) for management services and services as Directors	516,198	483,635
	Pension contributions	33,420	33,992
		549,618	517,627
	Two Directors accrued benefits under money purchase schemes (2004: two)		
	Amounts paid in respect of the highest paid Director are as follows:		
	Aggregate emoluments (including benefits)	361,817	342,904
	Company contributions to a self-administered pension scheme	31,000	31,620
		392,817	374,524
⑤	EMPLOYEE INFORMATION		
a)	The average number of persons employed by the Company, including Executive Directors, during the year is analysed below:	2005	2004
		<i>number</i>	<i>number</i>
	Management and administration	68	47
	Operations	282	201
		350	248
b)	Employment costs - all employees including Directors:	2005	2004
		£	£
	Aggregate gross wages and salaries	9,807,107	7,368,757
	Employer's National Insurance contributions	1,009,518	784,210
	Pension costs	77,152	77,431
		10,893,777	8,230,398
⑥	INTEREST PAYABLE AND SIMILAR CHARGES	2005	2004
		£	£
	Interest payable on sums wholly repayable within 5 years not by instalments:		
	Bank interest	6,189	5,589
	Other interest payable	-	5,191
		6,189	10,780

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

## 7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) ANALYSIS OF CHARGE IN PERIOD	2005	2004
	£	£
Current tax:		
UK corporation tax for the period at 30%	1,650,964	1,334,309
Adjustments in respect of previous periods	13,428	6,767
Group relief received	(16,054)	(16,901)
Total current tax (note 7(b))	<u>1,648,338</u>	<u>1,324,175</u>
Deferred tax:		
Origination and reversal of timing differences	(17,746)	4,482
Tax on profit on ordinary activities	<u>1,630,592</u>	<u>1,328,657</u>
b) FACTORS AFFECTING TAX CHARGE FOR PERIOD	2005	2004
	£	£
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	5,316,832	4,378,813
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	1,595,050	1,313,644
Effects of:		
Expenses not deductible for tax purposes	37,298	37,253
Accelerated capital allowances	18,726	(12,088)
Other timing differences	(110)	(4,500)
Adjustments to tax charge in respect of previous periods	13,428	6,767
Group relief received	(16,054)	(16,901)
Current tax charge for period (note 7(a))	<u>1,648,338</u>	<u>1,324,175</u>

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

## ⑧ DIVIDENDS

	2005	2004
	£	£
Interim and final dividends paid	1,250,000	1,000,000
	<u>1,250,000</u>	<u>1,000,000</u>

Total: 357.14 pence per share (2004: 285.71 pence per share).

## ⑨ TANGIBLE ASSETS

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Computer systems £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2004	1,478,578	282,693	3,921,664	908,213	6,591,148
Additions	42,479	154,630	963,242	363,165	1,523,516
Disposals	-	(73,851)	(133,020)	-	(206,871)
At 31 August 2005	<u>1,521,057</u>	<u>363,472</u>	<u>4,751,886</u>	<u>1,271,378</u>	<u>7,907,793</u>
<b>DEPRECIATION</b>					
At 1 September 2004	1,117,619	111,129	3,133,613	618,185	4,980,546
Charge for year	49,555	80,328	405,662	230,671	766,216
Disposals	-	(56,669)	(115,171)	-	(171,840)
At 31 August 2005	<u>1,167,174</u>	<u>134,788</u>	<u>3,424,104</u>	<u>848,856</u>	<u>5,574,922</u>
<b>NET BOOK VALUE</b>					
At 31 August 2005	<u>353,883</u>	<u>228,684</u>	<u>1,327,782</u>	<u>422,522</u>	<u>2,332,871</u>
At 31 August 2004	<u>360,959</u>	<u>171,564</u>	<u>788,051</u>	<u>290,028</u>	<u>1,610,602</u>

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

⑩ INVESTMENTS	2005	2004
	£	£
Cost - at 31 August	2,069	-
Net book value - at 31 August	2,069	-

Company	Country of registration or incorporation	Nature of business	Class of Shares held	Proportion of shares held
Moneycorp SLU	Spain	Introducing broker	Ordinary	100%

The Company owns 100% of the share capital of the above Investment.

The following figures have been extracted from the management accounts of Moneycorp SLU for the period ended 31 August 2005:

Loss after tax - £17,333

Share capital & reserves - £2,069

The company was formed on 29th March 2005 and hence had no trading activity for the year ended August 2004.

⑪ STOCKS (non cash)	2005	2004
	£	£
Stocks of maps, phonecards, gold coins, mobile phone top-up vouchers etc.	87,180	89,168

⑫ DEBTORS	2005	2004
	£	£
Trade debtors	77,260,586	39,750,871
Amount owed by group company	21,375	-
Other debtors	189,630	182,757
Deferred tax asset	50,118	32,372
Prepayments and accrued income	654,440	554,215
	<b>78,176,149</b>	<b>40,520,215</b>
Deferred tax asset	2005	2004
	£	£
At 1 September 2004	32,372	36,854
Credited/(Charged) to the profit and loss account	17,746	(4,482)
At 31 August 2005	<b>50,118</b>	<b>32,372</b>

The deferred tax balance is analysed as follows: the accumulated excess of depreciation over corresponding capital allowances £50,118 (2004: £32,372), and short-term timing differences £ Nil (2004: £ Nil). There is an additional deferred tax asset of £72,000 (2004: £72,000) relating to capital losses carried forward which has not been recognised due to the uncertainty of its recovery.

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

## ⑬ CASH AT BANK AND IN HAND

At 31 August 2005, cash balances with banks included £24,166,577 (2004: £21,341,323) of customer deposits. The corresponding liability is included within trade creditors (Note 14).

## ⑭ CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Trade creditors	101,672,625	60,966,451
Taxation and social security costs (see below)	1,441,138	1,111,918
Accruals	1,927,981	1,246,958
	<u>105,041,744</u>	<u>63,325,327</u>

Taxation and social security costs are made up as follows:

	2005	2004
	£	£
United Kingdom corporation tax payable	978,191	719,833
PAYE and social security costs	462,947	392,085
	<u>1,441,138</u>	<u>1,111,918</u>

## ⑮ CALLED UP SHARE CAPITAL

	2005	2004
	<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

	2005	2004
	£	£
Profit on ordinary activities after taxation	3,686,240	3,050,156
Ordinary dividends	(1,250,000)	(1,000,000)
Net additions to equity shareholders' funds	2,436,240	2,050,156
Opening equity shareholders' funds	8,743,952	6,693,796
Closing equity shareholders' funds	<u>11,180,192</u>	<u>8,743,952</u>



# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2005

## 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:	2005	2004
	£	£
Within one year	1,305,443	3,393,524
Within two to five years inclusive	1,819,318	53,000
After five years	916,735	1,025,994
	<u>4,041,496</u>	<u>4,472,518</u>

### b) CAPITAL COMMITMENTS

	2005	2004
	£	£
Capital commitments at 31 August 2005 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	<u>152,681</u>	<u>278,582</u>
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## 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 £1,250,000 (2004: £1,000,000) paid to the immediate parent company (note 8), there have been no transactions with group undertakings.