

TTT MONEYCORP LIMITED

ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1996



Annual Report and Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

AUDITORS

Coopers & Lybrand
1 Embankment Place
London WC2N 6NN

Munslow Messias
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 Corporate Business Centre
PO Box 2354
65 Piccadilly
London W1A 2PP

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

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

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Directors' Report

FOR THE YEAR ENDED 31 AUGUST 1996

The directors present herewith their report together with the audited abbreviated financial statements for the year ended 31 August 1996.

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 1996 results show further satisfactory growth in the level of business and in net operating profits despite increased competition in the industry. The directors expect continued steady growth in the business during the current year. The Company's commitment to the highest standards of customer service was officially recognised in January 1996 by the award 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 propose a final dividend of £99,500 which, together with the interim dividend of £231,000, makes a total for the year of £330,500 (1995 - £330,500).

Further details are shown in note 8 to the financial statements.

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 1996

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 1996, 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

6 December 1996

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 1996. 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 6 December 1996 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 1996 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
6 December 1996

MUNSLOW MESSIAS

Registered Auditors
London
6 December 1996

Abbreviated Profit and Loss Account

FOR THE YEAR ENDED 31 AUGUST 1996

	Notes	1996 £	1995 £
GROSS PROFIT		7,132,894	6,230,231
Net operating expenses (excluding exceptional expense)		(5,745,421)	(5,183,613)
OPERATING PROFIT (before exceptional operating expense)		1,387,473	1,046,618
Exceptional operating expense	3 (a)	(263,694)	-
OPERATING PROFIT (after exceptional operating expense)	3	1,123,779	1,046,618
Interest receivable and similar income		636	2,563
Interest payable and similar charges	6	(26,625)	(38,664)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,097,790	1,010,517
Taxation on profit on ordinary activities	7	(355,384)	(366,300)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		742,406	644,217
Dividends paid and proposed	8	(330,500)	(330,500)
RETAINED PROFIT FOR THE YEAR		£411,906	£313,717
		1996	1995
		£	£
STATEMENT OF RETAINED PROFITS			
Retained profits at 1 September 1995		1,954,178	1,640,461
Retained profit for the year		411,906	313,717
RETAINED PROFITS AT 31 AUGUST 1996		£2,366,084	£1,954,178

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 1996

	1996	1995
	£	£
STATEMENT OF HISTORICAL COST PROFIT AND LOSS		
Profit on ordinary activities before taxation	1,097,790	1,010,517
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	£1,119,741	£1,032,468
Historical cost profit for the year retained after taxation and dividends	£433,857	£335,668
RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS		
Profit on ordinary activities after taxation	742,406	644,217
Ordinary dividends	(330,500)	(330,500)
Issue of shares	-	100,000
Net additions to equity shareholders' funds	411,906	413,717
Equity shareholders' funds at 31st August 1995	2,304,178	1,890,461
Equity shareholders' funds at 31st August 1996	£2,716,084	£2,304,178

Balance Sheet

AS AT 31 AUGUST 1996

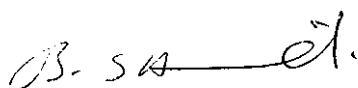
	Notes	1996 £	1996 £	1995 £	1995 £
FIXED ASSETS					
Tangible assets	9		2,116,097		2,120,885
CURRENT ASSETS					
Stocks	10	31,011		15,198	
Debtors	11	322,373		267,635	
Cash at bank and in hand		1,577,801		1,380,295	
		1,931,185		1,663,128	
CREDITORS:					
Amounts falling due within one year	12	(1,192,868)		(1,362,718)	
NET CURRENT ASSETS					
			738,317		300,410
TOTAL ASSETS LESS CURRENT LIABILITIES					
			2,854,414		2,421,295
CREDITORS:					
Amounts falling due after more than one year	13	(44,907)		(62,500)	
PROVISION FOR LIABILITIES AND CHARGES					
	14	(93,423)		(54,617)	
			(138,330)		(117,117)
			£2,716,084		£2,304,178
CAPITAL AND RESERVES					
Called up share capital	15		350,000		350,000
Profit and loss account			2,366,084		1,954,178
EQUITY SHAREHOLDERS' FUNDS					
			£2,716,084		£2,304,178

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 6th December 1996 and signed on their behalf by:

DIRECTORS

B Shlewet



S J Mullens



Cash Flow Statement

FOR THE YEAR ENDED 31 AUGUST 1996

	1996 £	1996 £	1995 £	1995 £
CASH INFLOW FROM OPERATIONS				
Operating profit		1,123,779		1,046,618
Depreciation	407,375		456,399	
(Profit) on sale of fixed assets	(34,125)		-	
(Increase) in stocks	(15,813)		(7,282)	
(Increase)/Decrease in debtors	(54,738)		83,726	
Increase/(Decrease) in creditors	131,012		(90,970)	
		433,711		441,873
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,557,490		1,488,491
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	636		2,563	
Bank loan and overdraft interest paid	(24,037)		(33,522)	
Interest paid on finance leases	(2,588)		(5,142)	
Dividends paid	(231,000)		(330,500)	
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(256,989)		(366,601)
		1,300,501		1,121,890
TAXATION				
UK corporation tax paid		(361,847)		(423,356)
INVESTING ACTIVITIES				
Tangible fixed assets acquired	(402,587)		(497,386)	
Tangible fixed assets sold	34,125		-	
		(368,462)		(497,386)
NET CASH INFLOW BEFORE FINANCING		570,192		201,148
FINANCING				
Issue of ordinary share capital	-		100,000	
Repayment of long-term borrowings	(207,805)		(146,098)	
Capital element of finance leases	31,591		(40,578)	
NET CASH FLOW FROM FINANCING		(176,214)		(86,676)
INCREASE IN CASH AND CASH EQUIVALENTS (SEE BELOW)		£393,978		£114,472
Increase in cash balances		197,506		174,549
Decrease/(Increase) in bank overdrafts		196,472		(60,077)
		£393,978		£114,472

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

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 1996

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. TURNOVER

Turnover consists of sales made in the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):-

	1996	1995
	£	£
Auditors' remuneration	25,975	24,538
Operating lease rentals	668,731	543,283
Depreciation of tangible fixed assets	407,375	456,399
(Profit) on disposal of tangible fixed assets	(34,125)	-
Exceptional expense (see (a) below)	263,694	-

- (a) The exceptional expense relates to the legal and other associated costs incurred relating to a leasehold property where the Company's rights are the subject of litigation. See note 16(c).

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

4. DIRECTORS' EMOLUMENTS

	1996	1995
	£	£
Emoluments including pension contributions and benefits in kind:-		
For management services	212,455	218,695
For service as directors	11,375	9,750
For consultancy services	77,245	35,360
	£301,075	£263,805

Consultancy fees include £30,980 paid to Marriott Harrison, a firm of solicitors in which S. J. Mullens is a partner, for legal services.

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

	1996	1995
	£	£
Emoluments of chairman and highest paid director	£142,455	£148,695

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

	1996	1995
£0 to £5,000	-	1
£10,001 to £15,000	1	1
£25,001 to £30,000	-	1
£35,001 to £40,000	2	-
£140,001 to £145,000	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:-

	1996	1995
Management and administration	23	21
Operations	94	79
	117	100

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

	1996	1995
	£	£
Aggregate gross wages and salaries	2,102,803	1,710,009
Employer's national insurance contributions	204,951	164,952
Pension costs	78,090	78,357
	£2,385,844	£1,953,318

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 1996

6. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable on sums wholly repayable within 5 years

	1996	1995
	£	£
By instalments	2,588	17,421
Not by instalments	24,037	21,243
	£26,625	£38,664

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996	1995
	£	£
United Kingdom corporation tax based on the profit for the year at 33% (1995: 33%)	381,853	394,165
Group relief received	(61,957)	(29,000)
Deferred taxation	38,806	1,135
	358,702	366,300
Prior year adjustments:-		
United Kingdom corporation tax	(3,318)	-
	£355,384	£366,300

8. DIVIDENDS PAID AND PROPOSED

	1996	1995
Dividends paid and proposed of:		
94.43 pence per share (1995: 94.43 pence per share).	£330,500	£330,500

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

9. TANGIBLE ASSETS

	SHORT LEASEHOLD PROPERTY £	MOTOR VEHICLES £	FIXTURES AND FITTINGS £	COMPUTER SYSTEMS £	TOTAL £
COST OR VALUATION					
At 1 September 1995	2,018,516	117,505	1,767,439	336,653	4,240,113
Expenditure	43,739	109,012	203,922	45,914	402,587
Disposals	-	(77,845)	-	(81,033)	(158,878)
At 31 August 1996	2,062,255	148,672	1,971,361	301,534	4,483,822
DEPRECIATION					
At 1 September 1995	970,909	90,922	845,192	212,205	2,119,228
Charge for year	105,803	21,160	210,551	69,861	407,375
Disposals	-	(77,845)	-	(81,033)	(158,878)
At 31 August 1996	1,076,712	34,237	1,055,743	201,033	2,367,725
NET BOOK VALUE					
At 31 August 1996	£985,543	£114,435	£915,618	£100,501	£2,116,097
At 31 August 1995	£1,047,607	£26,583	£922,247	£124,448	£2,120,885

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

	£
Cost at 1 September 1995	1,868,516
Revaluation in 1987	680,317
Downward revaluation in 1992	(530,317)
Additions at cost in 1996	43,739
	<u>£2,062,255</u>

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

	1996 £	1995 £
Historical cost	1,912,255	1,868,516
Depreciation based on cost	(988,908)	(905,056)
Net book value	<u>£923,347</u>	<u>£963,460</u>

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

9. TANGIBLE ASSETS (CONTINUED)

- (c) Included in fixed assets are leased assets with a net book value of £81,048 (1995 - £35,993) on which the associated depreciation for the year was £9,424 (1995 - £30,195).

10. STOCKS

	1996	1995
Stocks of maps, souvenir coins etc.	<u>£31,011</u>	<u>£15,198</u>

11. DEBTORS

	1996 £	1995 £
Trade debtors	<u>136,650</u>	73,953
Other debtors	<u>23,866</u>	48,463
Prepayments and accrued income	<u>161,857</u>	145,219
	<u>£322,373</u>	<u>£267,635</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 1996

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	£
Bank overdrafts	-	196,472
Bank loans	-	145,305
Trade creditors	173,708	168,332
Amounts owed to Group Company	99,500	-
Taxation and social security costs (see (a) below)	402,561	440,404
Finance leases and hire purchase contracts	-	13,316
Accruals and deferred income	517,099	398,889
	<u>£1,192,868</u>	<u>£1,362,718</u>

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

	1996	1995
	£	£
United Kingdom corporation tax payable	319,896	365,165
PAYE and Social Security	82,665	75,239
	<u>£402,561</u>	<u>£440,404</u>

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

	1996	1995
	£	£
Finance leases and hire purchase contracts	44,907	-
Bank loans	-	62,500
	<u>£44,907</u>	<u>£62,500</u>

All of these amounts are repayable by instalments within 2 to 5 years.

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

14. PROVISION FOR LIABILITIES AND CHARGES

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

	1996	1996	1995	1995
	FULL		FULL	
	POTENTIAL	PROVISION	POTENTIAL	PROVISION
	LIABILITY	MADE	LIABILITY	MADE
	£	£	£	£
Accelerated capital allowances	<u>£93,423</u>	<u>£93,423</u>	<u>£54,617</u>	<u>£54,617</u>

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

	£
At 1 September 1995	<u>£54,617</u>
Transferred from profit and loss account	<u>£38,806</u>
At 31 August 1996	<u>£93,423</u>

15. CALLED UP SHARE CAPITAL

		ORDINARY SHARES OF £1 EACH	
		1996	1995
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>

Notes to the Abbreviated Financial Statements

FOR THE YEAR ENDED 31 AUGUST 1996

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:-

	1996	1995
	£	£
Date of termination of leases/contracts:		
Within one year	313,115	300,024
Within two to five years inclusive	324,500	59,500
After five years	271,000	469,889
	<u>£908,615</u>	<u>£829,413</u>

(b) CAPITAL COMMITMENTS

Capital commitments at 31 August 1996 for which no provision has been made in these financial statements were as follows:-

	1996	1995
	<u>£220,000</u>	<u>£235,000</u>
Capital expenditure authorised but not contracted		

(c) CONTINGENT LIABILITIES

The Company is involved in litigation regarding the user provision in one of its leases. The Company's costs in relation to this litigation have been charged to the profit and loss account as incurred. No provision has been made in respect of future costs on the basis that the directors do not anticipate any additional material net costs.

17. ULTIMATE HOLDING COMPANY

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