

**INTERNATIONAL CURRENCY
EXCHANGE (EUROPE) PLC**

Report and Financial Statements

29 February 2004

**Deloitte & Touche LLP
London**



INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

REPORT AND FINANCIAL STATEMENTS 2004

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INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Z G Tejani
F G Tejani
N G Tejani
T E Johnson

SECRETARY

M McDonald

REGISTERED OFFICE

Albany Court Yard
47 - 48 Piccadilly
London
W1J 0LR

BANKERS

Lloyds TSB Bank PLC
Connaught House
Alexandra Terrace
Guildford
Surrey, GU1 3DA

Barclays Bank PLC
PO Box 15162
50 Pall Mall
London, SW1A 1QB

The Cooperative Bank
80 Cornhill
London, EC3V 3NJ

SOLICITORS

Stringer Saul
17 Hanover Square
London
W1S 1HU

AUDITORS

Deloitte & Touche LLP
London

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of International Currency Exchange (Europe) plc ("the Company") for the year ended 29 February 2004.

ACTIVITIES

The principal activities of the Company during the year were the provision of foreign exchange, certain banking services as agent for the clearing banks, the provision of travel services and hotel bookings.

REVIEW OF DEVELOPMENTS

A summary of the year's trading is given on page 5 to the accounts. The directors consider the result achieved is satisfactory. The Company produced a profit for the year which has increased the accumulated profit and loss reserve.

DIVIDENDS

No dividend is proposed for the year (2003- £nil).

FUTURE PROSPECTS

The directors are optimistic for a continuing profits trend for the foreseeable future.

PAYMENT OF CREDITORS

It is the policy of the Company to abide by the terms of payment agreed with each supplier. At the year end, creditor days were 30 days (2003 - 30 days).

DIRECTORS

The names of persons who were directors throughout the year except as noted are as follows:

Z G Tejani

F G Tejani

N G Tejani

T E Johnson

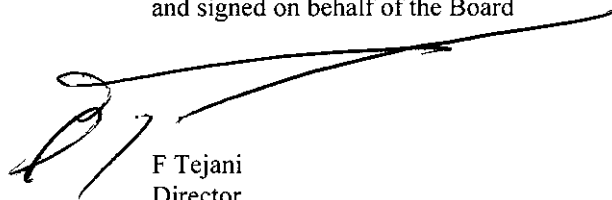
R J Collier (resigned on 5th April 2004)

N G Tejani held one £1 ordinary share in International Currency Exchange (Europe) PLC throughout the year. The directors' interests in Lenlyn Holdings PLC, Travelcare Services Ltd and International Currency Exchange PLC are disclosed in the financial statements of these companies. There are no other disclosable interests in group companies.

CHARITABLE DONATIONS

During the year the Company made no charitable donations (2003 - £ nil).

Approved by the Board of Directors
and signed on behalf of the Board



F Tejani
Director

24 June 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

We have audited the financial statements of International Currency Exchange (Europe) PLC for the year ended 29 February 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

24 June 2004

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

PROFIT AND LOSS ACCOUNT

Year ended 29 February 2004

	Note	2004 £	2003 £
TURNOVER	1	30,870,734	34,072,978
Cost of sales		(29,018,150)	(31,837,387)
GROSS PROFIT		1,852,584	2,235,591
Administrative expenses	2	(1,021,281)	(1,143,571)
Other operating income		247,480	66,956
OPERATING PROFIT		1,078,783	1,158,976
Interest receivable and similar income	3	100	1,034
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,078,883	1,160,010
Tax on profit on ordinary activities	5	(325,115)	(347,925)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE FINANCIAL YEAR	10	753,768	812,085
Profit and loss brought forward		3,298,774	2,486,689
Profit and loss carried forward		4,052,542	3,298,774

All activities derive from continuing operations.

There are no recognised gains and losses other than the profit for the year as shown above.

There are no movements in the shareholders' funds other than the retained profit for the year.

The accompanying notes are an integral part of this profit and loss account.

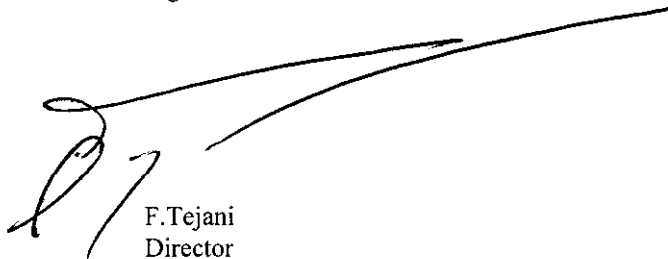
INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

BALANCE SHEET At 29 February 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	12,253	18,501
CURRENT ASSETS			
Stocks		176,124	136,478
Debtors	7	3,828,041	2,658,847
Cash at bank and in hand		626,605	670,829
		4,630,770	3,466,154
CREDITORS – amounts falling due within one year	8	(540,481)	(135,881)
NET CURRENT ASSETS		4,090,289	3,330,273
TOTAL ASSETS LESS CURRENT LIABILITIES		4,102,542	3,348,774
CAPITAL AND RESERVES			
Called up share capital	11	50,000	50,000
Profit and loss account	10	4,052,542	3,298,774
EQUITY SHAREHOLDERS' FUNDS		4,102,542	3,348,774

These financial statements were approved by the Board of Directors on 24 June 2004.

Signed on behalf of the Board of Directors



F. Tejani
Director

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover and cost of sales

Turnover represents sales of foreign currency and travellers cheques, cash processing and related commissions and fees receivable.

Cost of sales represents the cost of purchase of foreign currency, direct selling costs and holding gains and losses on foreign currency.

The directors consider that the activities of the Company comprise one business segment.

In accordance with the exemptions of the Companies Act 1985 disclosure of turnover by geographical segment would be, in the opinion of the directors, seriously prejudicial to the interests of the Company and as such is not given.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life:

Fixtures and fittings	-	20% on cost; five years, straight line
Computer equipment	-	20% on cost; five years, straight line

Profits and losses on disposal of tangible fixed assets are disclosed separately in the profit and loss account where material.

Cash at bank and in hand

Foreign currencies and foreign currency travellers cheques are included in cash at bank and in hand and are valued at their estimated net realisable value based on the foreign exchange rate ruling at the year end.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. All translation differences are taken to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary a provision is made for obsolete, slow moving and defective stocks.

Cash flow statement

The Company is exempt from preparing a cash flow statement under paragraph 5(a) of Financial Reporting Standard No. 1 (Revised 1996) "Cash Flow Statements".

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

1. ACCOUNTING POLICIES (continued)

Deferred Taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2004 £	2003 £
Directors' emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	-	-
Company contributions paid to the pension scheme in respect of directors	-	-
	No.	No.
Number of directors to whom retirement benefits are accruing under money purchase schemes	-	-

None of the directors are members of share option schemes or long-term incentive schemes in respect of services to the Company.

Certain directors are also directors of other companies under the same ownership and received emoluments from these companies during the year. It is not practicable to apportion their remuneration between the different companies which use their services.

Employee costs were as follows:	2004 £	2003 £
Wages and salaries	930,383	1,012,327
Social security costs	82,838	83,249
	1,013,221	1,095,576

The average monthly number of employees during the year was as follows:

	2004 No	2003 No
Management	1	2
Other staff	60	62

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

NOTES TO THE ACCOUNTS

Year ended 29 February 2004

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004	2003
	£	£
Bank interest	100	1,034

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004	2003
	£	£
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration – audit services	11,000	10,000
Depreciation of tangible fixed assets	6,248	11,087

International Currency Exchange (Europe) PLC forms part of a Group, the Parent Company of which incurs certain expenses on its behalf. An element of administrative expenses consists of a calculated recharge from the Parent Company and amounted to £901,437 (2003 - £955,616).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004	2003
	£	£
United Kingdom corporation tax at 30% (2003 - 30%)	(325,115)	(341,787)
Adjustment in respect of prior years	-	-
	(325,115)	(341,787)
Deferred taxation (Note 9)	-	(6,138)
	(325,115)	(347,925)

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK of 30% (2003 - 30%). The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before taxation	1,078,883	1,160,010
Tax at 30% thereon (2003: 30%)	(323,665)	(348,003)
Plus/(less) the effects of:		
Expenses not deductible for tax purposes	(6,248)	-
Capital allowances in excess of depreciation	4,798	6,216
	(325,115)	(341,787)

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

NOTES TO THE ACCOUNTS Year ended 29 February 2004

6. TANGIBLE ASSETS

	Computer equipment £	Fixtures and fittings £	TOTAL £
COST			
At 1 March 2003	223,395	670,474	893,869
Additions	-	-	-
At 29 February 2004	223,395	670,474	893,869
DEPRECIATION			
At 1 March 2003	209,089	666,279	875,368
Charge for the year	3,983	2,265	6,248
At 29 February 2004	213,072	668,544	881,616
NET BOOK VALUE			
At 29 February 2004	10,323	1,930	12,253
At 28 February 2003	14,306	4,195	18,501

7. DEBTORS

Due within one year:

	2004 £	2003 £
Trade debtors	-	1,257
Called up share capital not paid	37,500	37,500
Amount owed by group companies	3,551,547	2,253,609
Deferred tax asset (Note 9)	23,668	23,668
Corporation tax recoverable	-	5,270
Prepayments and accrued income	215,326	335,708
Other debtors	-	1,835
	3,828,041	2,658,847

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

NOTES TO THE ACCOUNTS Year ended 29 February 2004

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Corporation tax	52,401	-
Other taxes and social security	17,233	22,518
Other creditors	199,331	7,266
Accruals and deferred income	271,516	106,097
	<u>540,481</u>	<u>135,881</u>

9. DEFERRED TAXATION

Movement of deferred tax balance:

	2004 £	2003 £
At 1 March 2003	23,668	29,806
Charge to profit and loss account (Note 5)	-	(6,138)
	<u>23,668</u>	<u>23,668</u>
At 29 February 2004 (Note 7)	<u>23,668</u>	<u>23,668</u>

Analysis of deferred tax balance:

	2004 £	2003 £
Capital allowances in excess of depreciation	<u>23,668</u>	<u>23,668</u>

10. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £
At 1 March 2003	3,298,774
Profit for the year	<u>753,768</u>
At 29 February 2004	<u>4,052,542</u>

INTERNATIONAL CURRENCY EXCHANGE (EUROPE) PLC

NOTES TO THE ACCOUNTS Year ended 29 February 2004

11. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
5,000,000 ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted:		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Called and partly paid:		
50,000 ordinary shares of £1 each 25p paid	<u>12,500</u>	<u>12,500</u>

12. ULTIMATE PARENT COMPANY

International Currency Exchange (Europe) PLC is controlled by International Currency Exchange PLC, an unquoted company incorporated in Great Britain. International Currency Exchange PLC is the parent of the smallest group for which consolidated accounts are prepared. The ultimate holding company of International Currency Exchange (Europe) PLC is Lenlyn Holdings PLC which is incorporated in Great Britain. Lenlyn Holdings PLC is the parent of the largest group for which consolidated accounts are prepared. Copies of the consolidated financial statements for the smallest and largest groups are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

13. FRS8 RELATED PARTY DISCLOSURES

In accordance with FRS8, paragraph 3, the Company has taken advantage of the exemption for subsidiary undertakings from disclosing transactions with other group companies qualifying as related parties.