

TTT Moneycorp Limited

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 31 August 2001

738837



Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

AUDITORS

PricewaterhouseCoopers
No. 1 London Bridge
London SE1 9QL

BANKERS

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

National Westminster Bank plc
City of London Business Centre
P.O. Box No. 12264
3rd floor
1 Princes Street
London EC2R 8PB

Barclays Bank plc
Knightsbridge Business Centre
7th floor
50 Pall Mall
London SW1Y 5AX

SOLICITORS

Berwin Leighton Paisner
Adelaide House
London Bridge
London EC4R 9HA

TRADING NAMES

TTT Foreign Exchange Corporation
The Money Corporation
Moneycorp
TTT Coins & Medals

REGISTERED OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

COMPANY REGISTRATION NUMBER

738837

DATE OF INCORPORATION

25th October 1962

COMPANY SECRETARY

S J Mullens

HEAD OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

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Directors' report

FOR THE YEAR ENDED 31 AUGUST 2001

The Directors present their report and the audited financial statements for the year ended 31 August 2001.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the operation of retail bureaux de change, the provision of wholesale currency services and the supply of spot and forward foreign exchange services to businesses and individuals.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Directors took the decision eighteen months ago to structure the business for expansion. During the year, this was successfully implemented through the creation of three separate divisions for Retail Bureaux de Change, Wholesale Currency Services and Commercial Foreign Exchange, each led by an experienced, newly-recruited Divisional Head. In addition, as part of this strategy, a new Finance Director was appointed to the Board. The implementation of this strategy, including the expansion of the Wholesale and Commercial divisions and the further development of the IT infrastructure, increased the cost base of the Company but leaves it ready to maximise opportunities for business growth.

The reduced numbers of tourists to the UK, following the outbreak of Foot and Mouth Disease, affected the Retail business during the latter part of the year. Despite this setback and the development costs referred to above, the Company generated an overall level of pre-tax profit ahead of last year.

The initial impact on tourism-related businesses following the sad events in the USA on 11 September 2001 has been well publicised. An initial decline in business has been experienced but the Company has already demonstrated an excellent record of resilience during difficult times and will continue to do so.

EURO

The effect of the introduction of Euro notes and coins (hard Euro) in January 2002 is not expected to affect the Company's profitability materially. The Company has no operations in the Eurozone countries.

RESULTS

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

DIVIDENDS

The Directors propose a final dividend of £62,000 which, together with the interim dividends of £788,000, makes a total for the year of £850,000 (2000: £825,000). Further details are shown in note 8 to the financial statements.

DIRECTORS

The Directors listed below have served during the year:

B Shlewet

S J Mullens

D Knowlden

G Westwell

M Weinberg (appointed 20 March 2001)

Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2001

CHARITIES AND DONATIONS

During the year, the Company made donations in the UK for charitable purposes amounting to £600 (2000: £4,063). No donations were made for political purposes.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

No Directors held beneficial interests in the shares of the Company at 31 August 2001, 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 PricewaterhouseCoopers will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


S J Mullens

Secretary

26 November 2001

Independent auditors' report to the members of TTT Moneycorp Limited

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 & 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

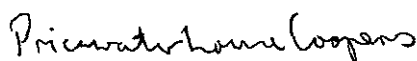
BASIS OF AUDIT OPINION

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 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS

Chartered Accountants

Registered Auditors

London

27 November 2001

Profit and loss account

FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
TURNOVER - gross value of currencies and other sales	2	512,730,871	379,492,221
Cost of sales - gross value of currencies and other purchases		(500,546,578)	(368,639,729)
GROSS PROFIT		12,184,293	10,852,492
Administrative expenses		(10,172,655)	(8,851,042)
OPERATING PROFIT	3	2,011,638	2,001,450
Interest receivable and similar income		43,628	13,130
Interest payable and similar charges	6	(8,896)	(7,988)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,046,370	2,006,592
Taxation on profit on ordinary activities	7	(662,563)	(646,670)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,383,807	1,359,922
Dividends paid and proposed	8	(850,000)	(825,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		533,807	534,922

	2001 £	2000 £
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September	3,973,018	3,438,096
Retained profit for the year	533,807	534,922
RETAINED PROFITS AT 31 AUGUST	4,506,825	3,973,018

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

The Company has no recognised gains and losses for the year other than the profits above and therefore no separate statement of recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Balance sheet

AS AT 31 AUGUST 2001		2001 £	2001 £	2000 £	2000 £
	Notes				
FIXED ASSETS					
Tangible assets	9		1,334,911		1,356,166
CURRENT ASSETS					
Stocks	10	162,705		140,041	
Debtors	11	752,391		459,245	
Investments	12	28,504		74,749	
Cash at bank and in hand	13	9,155,838		5,418,410	
		10,099,438		6,092,445	
CREDITORS					
Amounts falling due within one year	14	(6,577,524)		(3,125,593)	
NET CURRENT ASSETS			3,521,914		2,966,852
TOTAL ASSETS LESS CURRENT LIABILITIES			4,856,825		4,323,018
CAPITAL AND RESERVES					
Called up share capital	16		350,000		350,000
Profit and loss account			4,506,825		3,973,018
EQUITY SHAREHOLDERS' FUNDS			4,856,825		4,323,018

Approved by the Board on 26 November 2001
and signed on its behalf by:

DIRECTORS

B Shlewet

S J Mullens

Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 2001

	2001	2001	2000	2000
	£	£	£	£
CASH INFLOW FROM OPERATIONS				
Operating profit		2,011,638		2,001,450
Depreciation	368,623		372,088	
Loss/(Profit) on sale of fixed assets	32,642		(103,807)	
Loss on write down of investments	46,245		33,763	
(Increase) in stocks	(22,664)		(71,196)	
(Increase) in debtors	(293,146)		(156,880)	
Increase in creditors	3,485,835		1,168,835	
		3,617,535		1,242,803
NET CASH INFLOW FROM OPERATING ACTIVITIES		5,629,173		3,244,253
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	44,044		13,032	
Interest paid	(11,327)		(5,757)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		32,717		7,275
TAXATION				
UK Corporation Tax paid		(719,452)		(617,581)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(348,488)		(145,622)	
(Exit costs)/proceeds on disposal of tangible fixed assets	(31,522)		138,739	
		(380,010)		(6,883)
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING		4,562,428		2,627,064
EQUITY DIVIDENDS PAID		(825,000)		(788,000)
MANAGEMENT OF LIQUID RESOURCES				
Current asset investments acquired		-		(108,512)
INCREASE IN CASH BALANCES (SEE BELOW)		3,737,428		1,730,552
Opening cash balances		5,418,410		3,687,858
Closing cash balances		9,155,838		5,418,410
INCREASE IN CASH BALANCES		3,737,428		1,730,552

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom. A summary of the more important accounting policies of the Company, which have been applied consistently, is set out below.

a) BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention.

b) TANGIBLE ASSETS

Short leasehold properties are stated at cost or valuation less accumulated depreciation. The cost of other tangible assets is their purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates and bases used for this purpose are:

<i>Motor vehicles</i>	- 25% straight line
<i>Fixtures and fittings</i>	- 15% straight line
<i>Computer systems</i>	- 25% straight line

Leasehold properties are amortised over the period of the leases and improvements to leasehold properties over the expected life of those improvements.

c) STOCKS

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

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.

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

1 PRINCIPAL ACCOUNTING POLICIES *continued*

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 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.

Profit and loss account presentation has changed from the prior year. During the year ended 31 August 2000, the Company commenced commercial foreign exchange operations. In the financial statements for that year the income from these transactions was reflected as part of the turnover on a net basis. In the opinion of the Directors, such a treatment does not provide a consistent presentation with the rest of the Company's transactions and this year, for consistency, the relevant income is presented on a gross basis. The comparative figures have been restated and this change has no effect on the results for 2000 or 2001.

g) 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.

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 certain of its employees. The cost to the Company is charged to the profit and loss account as incurred.

2 TURNOVER - gross value of currencies and other sales

Turnover consists of sales made in the United Kingdom.

3 OPERATING PROFIT

	2001	2000
Operating profit is stated after charging/(crediting):	£	£
• Auditors' remuneration	32,172	28,565
• Amounts payable to auditors for non-audit services	12,320	14,200
• Operating lease rentals	912,203	904,236
• Depreciation of tangible fixed assets	368,623	372,088
• Loss/(Profit) on disposal of tangible fixed assets	32,642	(103,807)
• Write down of investments	46,245	33,763
• Net differences on foreign currency translation	(4,167)	(9,040)

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

4 DIRECTORS' EMOLUMENTS	2001	2000
	£	£
Aggregate emoluments for management services and services as Directors	305,508	252,542
Pension contributions	46,845	55,600
For consultancy services	-	5,485
	<u>352,353</u>	<u>313,627</u>

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

Aggregate emoluments	201,672	203,666
Company contributions to a self-administered pension scheme	45,600	55,600
	<u>247,272</u>	<u>259,266</u>

5 EMPLOYEE INFORMATION

a) The average number of persons employed by the Company, including Executive Directors, during the year is analysed below:	2001	2000
	<i>number</i>	<i>number</i>
Management and administration	36	28
Operations	136	132
	<u>172</u>	<u>160</u>

b) Employment costs - all employees including Directors:	2001	2000
	£	£
Aggregate gross wages and salaries	3,896,081	3,318,729
Employer's National Insurance contributions	383,986	325,976
Pension costs	64,656	72,054
	<u>4,344,723</u>	<u>3,716,759</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

6 INTEREST PAYABLE AND SIMILAR CHARGES	2001	2000
	£	£
Interest payable on sums wholly repayable within 5 years:		
Not by instalments	8,896	7,988
7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2001	2000
	£	£
United Kingdom Corporation Tax based on the profit for		
the year at 30%	692,431	682,345
Group relief received	(29,868)	(35,675)
	662,563	646,670
8 DIVIDENDS	2001	2000
	£	£
Interim dividends paid	788,000	788,000
Final dividend proposed	62,000	37,000
	850,000	825,000

Total: 242.86 pence per share (2000: 235.71 pence per share).

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

9 TANGIBLE ASSETS	Short leasehold properties £	Motor vehicles £	Fixtures and fittings £	Computer systems £	Total £
COST					
At 1 September 2000	1,474,086	231,741	2,648,932	423,351	4,778,110
Additions	88,640	3,920	144,853	111,075	348,488
Disposals	(93,542)	-	-	(57,897)	(151,439)
At 31 August 2001	1,469,184	235,661	2,793,785	476,529	4,975,159
DEPRECIATION					
At 1 September 2000	1,005,512	145,214	1,971,759	299,459	3,421,944
Charge for year	42,580	34,455	228,188	63,400	368,623
Disposals	(93,542)	-	-	(56,777)	(150,319)
At 31 August 2001	954,550	179,669	2,199,947	306,082	3,640,248
NET BOOK VALUE					
At 31 August 2001	514,634	55,992	593,838	170,447	1,334,911
At 31 August 2000	468,574	86,527	677,173	123,892	1,356,166

10 STOCKS	2001 £	2000 £
Stocks of maps, phonecards, souvenir and gold coins, etc.	162,705	140,041

11 DEBTORS	2001 £	2000 £
Trade debtors	345,597	180,505
Other debtors	49,471	39,727
Prepayments and accrued income	357,323	239,013
	752,391	459,245

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

12 INVESTMENTS	2001	2000
	£	£
Quoted US securities	<u>28,504</u>	<u>74,749</u>

13 CASH AT BANK AND IN HAND

At 31 August 2001, cash balances with banks included £4,361,350 (2000: £1,255,786) of customer deposits. The corresponding liability is included within trade creditors (Note 14).

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001	2000
	£	£
Trade creditors	<u>4,947,619</u>	<u>1,880,796</u>
Proposed dividend	<u>62,000</u>	<u>37,000</u>
Taxation and social security costs (see below)	<u>539,173</u>	<u>572,491</u>
Accruals and deferred income	<u>1,028,732</u>	<u>635,306</u>
	<u>6,577,524</u>	<u>3,125,593</u>

Taxation and social security costs are made up as follows:

United Kingdom Corporation Tax payable	<u>385,060</u>	<u>441,949</u>
PAYE and social security costs	<u>154,113</u>	<u>130,542</u>
	<u>539,173</u>	<u>572,491</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

15 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation - analysis of provision and potential liability:

	2001	2001	2000	2000
	Full potential	Provision	Full potential	Provision
	liability	made	liability	made
	£	£	£	£
Accelerated capital allowances	<u>21,299</u>	<u>-</u>	<u>70,830</u>	<u>-</u>

16 CALLED UP SHARE CAPITAL

		2001	2000
		<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>

17 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit on ordinary activities after taxation	<u>1,383,807</u>	<u>1,359,922</u>
Ordinary dividends	<u>(850,000)</u>	<u>(825,000)</u>
Net additions to equity shareholders' funds	<u>533,807</u>	<u>534,922</u>
Opening equity shareholders' funds	<u>4,323,018</u>	<u>3,788,096</u>
Closing equity shareholders' funds	<u>4,856,825</u>	<u>4,323,018</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2001

18 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:

	2001	2000
	£	£
Date of termination of leases/contracts:		
Within one year	-	90,000
Within two to five years inclusive	63,000	63,000
After five years	789,650	652,650
	<u>852,650</u>	<u>805,650</u>

b) CAPITAL COMMITMENTS

	2001	2000
	£	£
Capital commitments at 31 August 2001 for which no provision has been made in these financial statements were as follows:		
Capital expenditure authorised but not contracted	<u>150,000</u>	<u>110,000</u>

19 ULTIMATE HOLDING COMPANY

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

Apart from the dividends of £850,000 (2000: £825,000) paid or payable to the immediate parent company (note 8), there have been no transactions with group undertakings.