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Annual report & financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

TTT MONEYCORP LIMITED



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Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

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
Mayfair Corporate Business Centre
P.O. Box No. 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

Berwin Leighton
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 2000

The directors present their report and the audited financial statements for the year ended 31 August 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the provision of bureau de change, foreign exchange and money transfer services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors consider the results of the year to be very satisfactory. The board are actively pursuing policies for continued growth which will see further progress in the financial performance of the Company.

EURO

The company has operated in the euro since the introduction of the single currency and is confident that the systems in place will also deal satisfactorily with coins and notes when these are brought into circulation.

RESULTS

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

DIVIDENDS

The directors propose a final dividend of £37,000 which, together with the interim dividend of £788,000, makes a total for the year of £825,000 (1999 £788,000).

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

A B Trembeth (resigned 31 August 2000)

G Westwell (appointed 1 August 2000)

Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2000

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

No directors held beneficial interests in the shares of the Company at 31 August 2000, 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

Munslow Messias resigned as joint auditors during the year and PricewaterhouseCoopers were appointed sole auditors. A resolution to reappoint PricewaterhouseCoopers will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


S J Mullens

Secretary

14 November 2000

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 historic 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 2000 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

14 November 2000

Profit and loss account

FOR THE YEAR ENDED 31 AUGUST 2000

	Notes	2000 £	1999 £
TURNOVER	2	304,013,020	196,043,948
Cost of sales		(293,160,528)	(186,474,243)
GROSS PROFIT		10,852,492	9,569,705
Net operating expenses		(8,851,042)	(7,988,264)
OPERATING PROFIT	3	2,001,450	1,581,441
Interest receivable and similar income		13,130	27,071
Interest payable and similar charges	6	(7,988)	(5,117)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,006,592	1,603,395
Taxation on profit on ordinary activities	7	(646,670)	(419,279)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,359,922	1,184,116
Dividends	8	(825,000)	(788,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		£534,922	£396,116

	2000 £	1999 £
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September	3,438,096	3,041,980
Retained profit for the year	534,922	396,116
RETAINED PROFITS AT 31 AUGUST	£3,973,018	£3,438,096

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.

Balance sheet

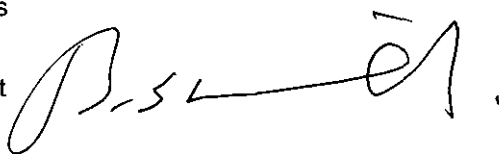
AS AT 31 AUGUST 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS					
Tangible assets	9		1,356,166		1,618,462
CURRENT ASSETS					
Stocks	10	140,041		68,845	
Debtors	11	459,245		302,365	
Investments	12	74,749		-	
Cash at bank and in hand		5,418,410		3,687,858	
		6,092,445		4,059,068	
CREDITORS					
Amounts falling due within one year	13	(3,125,593)		(1,889,434)	
NET CURRENT ASSETS					
			2,966,852		2,169,634
TOTAL ASSETS LESS CURRENT LIABILITIES					
			£4,323,018		£3,788,096
CAPITAL AND RESERVES					
Called up share capital	15		350,000		350,000
Profit and loss account			3,973,018		3,438,096
EQUITY SHAREHOLDERS' FUNDS					
			£4,323,018		£3,788,096

Approved by the board on 14 November 2000 and signed on its behalf by:

DIRECTORS

B Shlewet



S J Mullens



Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 2000

	2000 £	2000 £	1999 £	1999 £
CASH INFLOW FROM OPERATIONS				
Operating profit		2,001,450		1,581,441
Depreciation	372,088		489,489	
(Profit) on sale of fixed assets	(103,807)		(11,272)	
Loss on write down of investments	33,763		-	
(Increase) in stocks	(71,196)		(8,305)	
(Increase)/Decrease in debtors	(156,880)		97,674	
Increase in creditors	1,168,835		247,078	
		1,242,803		814,664
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,244,253		2,396,105
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	13,032		26,753	
Interest paid	(5,757)		(6,282)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		7,275		20,471
TAXATION				
UK corporation tax paid		(617,581)		(506,080)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(145,622)		(203,541)	
Tangible fixed assets sold	138,739		12,426	
		(6,883)		(191,115)
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING		2,627,064		1,719,381
EQUITY DIVIDENDS PAID		(788,000)		(788,000)
MANAGEMENT OF LIQUID RESOURCES				
Current assets investments acquired		(108,512)		-
INCREASE IN CASH BALANCES (SEE BELOW)		£1,730,552		£931,381
Opening cash balances		3,687,858		2,899,688
Opening overdraft		-		(143,211)
Closing cash balances		5,418,410		3,687,858
INCREASE IN CASH BALANCES		£1,730,552		£931,381

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

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:-

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 leases.

c) STOCKS

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

d) CURRENT ASSET 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 2000

1. PRINCIPAL ACCOUNTING POLICIES *continued*

f) TURNOVER

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

Purchases relating to the above transactions are treated as cost of sales.

Income from spot and forward foreign exchange transactions is included in turnover at the date of inception of the contracted amount.

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

Turnover consists of sales made in the United Kingdom.

3

OPERATING PROFIT

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

	2000 £	1999 £
• Auditors' remuneration	28,565	25,068
• Amounts payable to auditors for non-audit services	14,200	38,241
• Operating lease rentals	904,236	808,402
• Depreciation of tangible fixed assets	372,088	489,489
• (Profit) on disposal of tangible fixed assets	(103,807)	(11,272)
• Write down of current asset investments	33,763	-

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

4 DIRECTORS' EMOLUMENTS

	2000	1999
	£	£
Aggregate emoluments for management services and services as directors	252,542	230,937
Pension contributions	55,600	55,600
For consultancy services	5,485	10,893
	<u>£313,627</u>	<u>£297,430</u>

Amounts paid in respect of the highest paid director, are as follows:-

	2000	1999
	£	£
Aggregate emoluments	203,666	183,592
Company contributions to a self administered pension scheme	55,600	55,600
	<u>£259,266</u>	<u>£239,192</u>

5 EMPLOYEE INFORMATION

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

	2000	1999
a) Management and administration	28	26
Operations	132	126
	<u>160</u>	<u>152</u>

Employment costs - all employees including directors:-

	2000	1999
	£	£
b) Aggregate gross wages and salaries	3,318,729	2,906,851
Employer's national insurance contributions	325,976	290,425
Pension costs	72,054	71,327
	<u>£3,716,759</u>	<u>£3,268,603</u>

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

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

6 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable on sums wholly repayable within 5 years

	2000	1999
	£	£
Not by instalments	<u>£7,988</u>	<u>£5,117</u>

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

United Kingdom corporation tax based on the profit for the year at 30%

Group relief received

Deferred taxation

	2000	1999
	£	£
	<u>682,345</u>	<u>576,117</u>
	<u>(35,675)</u>	<u>(40,757)</u>
	<u>-</u>	<u>(116,081)</u>
	<u>£646,670</u>	<u>£419,279</u>

8 DIVIDENDS

	2000	1999
	£	£
Ordinary dividends paid	<u>788,000</u>	<u>788,000</u>
Final dividend proposed	<u>37,000</u>	<u>-</u>
	<u>£825,000</u>	<u>£788,000</u>

Total:- 235.71 pence per share (1999: 225.14 pence per share).

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

9 TANGIBLE ASSETS

	Short leasehold properties £	Motor vehicles £	Fixtures and fittings £	Computer systems £	Total £
COST					
At 1 September 1999	1,664,543	226,192	2,609,511	355,882	4,856,128
Additions	13,745	24,089	39,421	67,469	144,724
Disposals	(204,202)	(18,540)	-	-	(222,742)
At 31 August 2000	1,474,086	231,741	2,648,932	423,351	4,778,110
DEPRECIATION					
At 1 September 1999	1,102,964	116,531	1,770,651	247,520	3,237,666
Charge for year	71,818	47,223	201,108	51,939	372,088
Disposals	(169,270)	(18,540)	-	-	(187,810)
At 31 August 2000	1,005,512	145,214	1,971,759	299,459	3,421,944
NET BOOK VALUE					
At 31 August 2000	£468,574	£86,527	£677,173	£123,892	£1,356,166
At 31 August 1999	£561,579	£109,661	£838,860	£108,362	£1,618,462

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

10 STOCKS	2000	1999
	£	£
Stocks of maps, phonecards, souvenir and gold coins etc.	<u>£140,041</u>	<u>£68,845</u>

11 DEBTORS	2000	1999
	£	£
Trade debtors	<u>180,505</u>	<u>82,512</u>
Other debtors	<u>39,727</u>	<u>42,121</u>
Prepayments and accrued income	<u>239,013</u>	<u>177,732</u>
	<u>£459,245</u>	<u>£302,365</u>

All the above amounts are due within one year of the balance sheet date.

Trade debtors relate substantially to amounts owed from credit card companies.

12 CURRENT ASSET INVESTMENTS	2000	1999
	£	£
Quoted securities	<u>£74,749</u>	<u>-</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2000	1999
	£	£
Trade creditors	<u>1,880,796</u>	<u>643,377</u>
Proposed dividend	<u>37,000</u>	<u>-</u>
Taxation and social security costs (see below)	<u>572,491</u>	<u>542,444</u>
Accruals and deferred income	<u>635,306</u>	<u>703,613</u>
	<u>£3,125,593</u>	<u>£1,889,434</u>

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

	2000	1999
	£	£
United Kingdom corporation tax payable	<u>441,949</u>	<u>412,860</u>
PAYE and social security	<u>130,542</u>	<u>129,584</u>
	<u>£572,491</u>	<u>£542,444</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

14 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation - analysis of provision and potential liability:-

	2000	2000	1999	1999
	Full potential	Provision	Full potential	Provision
	liability	made	liability	made
	£	£	£	£
Accelerated capital allowances	<u>£70,830</u>	<u>-</u>	<u>£89,511</u>	<u>-</u>

15 CALLED UP SHARE CAPITAL

Ordinary shares of £1 each

		2000	1999
Authorised	- value	<u>£1,000,000</u>	<u>£1,000,000</u>
	- number	<u>1,000,000</u>	<u>1,000,000</u>
Alotted, 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

	2000	1999
	£	£
Profit on ordinary activities after taxation	<u>1,359,922</u>	<u>1,184,116</u>
Ordinary dividends	<u>(825,000)</u>	<u>(788,000)</u>
Net additions to equity shareholders' funds	<u>534,922</u>	<u>396,116</u>
Opening equity shareholders' funds	<u>3,788,096</u>	<u>3,391,980</u>
Closing equity shareholders' funds	<u>£4,323,018</u>	<u>£3,788,096</u>

Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2000

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:-

	2000	1999
	£	£
Date of termination of leases/contracts:		
Within one year	90,000	-
Within two to five years inclusive	63,000	196,000
After five years	652,650	590,350
	<u>£805,650</u>	<u>£786,350</u>

b) CAPITAL COMMITMENTS

Capital commitments at 31 August 2000 for which no provision has been made in these financial statements were as follows:-

	2000	1999
	£	£
Capital expenditure authorised but not contracted	<u>£110,000</u>	<u>£75,000</u>

18 ULTIMATE HOLDING COMPANY

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

The company, being a 100% subsidiary, has taken advantage of the exemption within FRS8 from disclosure of transactions with group undertakings.