

738837

**TTT MONEYCORP LIMITED**

**ANNUAL REPORT  
&  
FINANCIAL STATEMENTS**

for the year ended 31 August 2003



# Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

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

Barclays Bank plc  
Knightsbridge Business Centre  
P.O. Box No. 32014  
London NW1 2ZG

## 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 2003

The Directors present their report and the audited financial statements for the year ended 31 August 2003.

## 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 Board is pleased to report significantly increased turnover and profits in a particularly challenging year. The weakened global economy, worries about SARS in Asia and the war in Iraq all contributed to a drop in consumer confidence and reduced travel, which in turn has impacted on some of our business. Nevertheless, the recent investment in management and technology, together with our dynamic approach to gaining additional business, have made these results possible.

The Board believes that the investments made over the last few years will continue to generate sustained growth and profitability.

## RESULTS

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

## DIVIDENDS

The Directors have declared and paid an interim and final dividend totalling £1,000,000, being the total for the year (2002: £850,000). 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 Mullens

D Knowlden

M Weinberg

## Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 2003

### CHARITIES AND DONATIONS

During the year, the Company made donations in the UK for charitable purposes amounting to £4,610 (2002: £3,300). £2,500 was paid to industry-sponsored charities relating to cancer and famine relief and the balance of £2,110 was paid to local charities. 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 2003, 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 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 which 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 4 February 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as 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 2003 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 1 December 2003

FOR THE YEAR ENDED 31 AUGUST 2003

	2003	2002
STATEMENT OF RETAINED PROFITS	£	£
Retained profits at 1 September	5,088,655	4,506,825
Retained profit for the year	1,255,141	581,830
RETAINED PROFITS AT 31 AUGUST	6,343,796	5,088,655

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

TTT MONEYCORP LIMITED

## Balance sheet

AS AT 31 AUGUST 2003		2003	2003	2002	2002
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		1,424,714		1,633,460
<b>CURRENT ASSETS</b>					
Stocks (non-cash)	10	97,451		127,318	
Debtors	11	33,941,423		43,124,569	
Investments	12	21,817		18,773	
Cash at bank and in hand	13	20,813,992		13,480,541	
		54,874,683		56,751,201	
<b>CREDITORS</b>					
Amounts falling due within one year	14	(49,605,601)		(52,946,006)	
<b>NET CURRENT ASSETS</b>			5,269,082		3,805,195
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,693,796		5,438,655
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		350,000		350,000
Profit and loss account			6,343,796		5,088,655
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16		6,693,796		5,438,655

Approved by the Board on 25 November 2003  
and signed on its behalf by:

### DIRECTORS

B Shlewet

M Weinberg

# Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 2003

	2003 £	2003 £	2002 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		9,171,770		6,598,882
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	119,665		108,119	
Interest paid	(3,398)		(31,651)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		116,267		76,468
TAXATION				
UK corporation tax paid		(607,893)		(708,349)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(327,142)		(771,613)	
Proceeds on disposal of tangible fixed assets	18,449		3,315	
		(308,693)		(768,298)
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING		8,371,451		5,198,703
EQUITY DIVIDENDS PAID		(1,038,000)		(874,000)
INCREASE IN CASH BALANCES (SEE BELOW)		7,333,451		4,324,703
Opening cash balances		13,480,541		9,155,838
Closing cash balances		20,813,992		13,480,541
INCREASE IN CASH BALANCES (SEE NOTE 13)		7,333,451		4,324,703
NOTE TO THE CASH FLOW				
RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATIONS				
Operating profit		3,111,234		1,978,831
Depreciation	527,823		469,597	
(Profit)/Loss on sale of fixed assets	(10,384)		152	
(Profit)/Loss on revaluation of investments	(3,044)		9,731	
Decrease in stocks	29,867		35,387	
Decrease in debtors	9,220,000		2,706,529	
Increase/(Decrease) in creditors	(3,703,726)		1,398,655	
		6,060,536		4,620,051
NET CASH INFLOW FROM OPERATING ACTIVITIES		9,171,770		6,598,882



# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

## 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 FIXED 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 2003

## 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):

	2003	2002
	£	£
• Auditors' remuneration	27,759	26,950
• Amounts payable to auditors for non-audit services	21,600	11,715
• Operating lease rentals - other	1,019,362	1,017,035
• Depreciation of tangible fixed assets	527,823	469,597
• (Profit)/Loss on disposal of tangible fixed assets	(10,384)	152
• Net differences on foreign currency translation	533	(8,344)

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

## 4 DIRECTORS' EMOLUMENTS

	2003	2002
	£	£
Aggregate emoluments (including benefits) for management services and services as Directors	412,275	343,306
Pension contributions	17,312	27,114
	<u>429,587</u>	<u>370,420</u>

Two Directors accrued benefits under money purchase schemes (2002: two)

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

Aggregate emoluments (including benefits)	287,127	208,782
Company contributions to a self-administered pension scheme	15,000	24,850
	<u>302,127</u>	<u>233,632</u>

## 5 EMPLOYEE INFORMATION

- a) The average number of persons employed by the Company, including Executive Directors, during the year is analysed below:

	2003	2002
	number	number
Management and administration	42	40
Operations	175	155
	<u>217</u>	<u>195</u>

- b) Employment costs - all employees including Directors:

	2003	2002
	£	£
Aggregate gross wages and salaries	6,033,689	4,808,876
Employer's National Insurance contributions	604,696	463,407
Pension costs	53,915	51,202
	<u>6,692,300</u>	<u>5,323,485</u>

## 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest payable on sums wholly repayable within 5 years not by instalments:		
Bank interest	2,242	6,105
Other interest payable	1,156	25,546
	<u>3,398</u>	<u>31,651</u>

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST

## 7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

### a) ANALYSIS OF CHARGE IN PERIOD

	2003	2002
	£	£
Current tax:		
UK corporation tax for the period at 30%	1,032,758	662,816
Adjustments in respect of previous periods	(2,287)	(11,061)
Group relief received	(21,257)	(28,286)
Total current tax (note 7(b))	1,009,214	623,469
Deferred tax:		
Origination and reversal of timing differences	(36,854)	-
Tax on profit on ordinary activities	972,360	623,469

### b) Factors affecting tax charge for period

	2003	2002
	£	£
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	3,227,501	2,055,299
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	968,251	616,590
Effects of:		
Expenses not deductible for tax purposes	9,824	14,340
Depreciation for period in excess of capital allowances	54,683	31,886
Adjustments to tax charge in respect of previous periods	(2,287)	(11,061)
Group relief received	(21,257)	(28,286)
Current tax charge for period (note 7(a))	1,009,214	623,469

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

## 8 DIVIDENDS

	2003	2002
	£	£
Interim and final dividends paid	1,000,000	812,000
Final dividend proposed	-	38,000
	<u>1,000,000</u>	<u>850,000</u>

Total: 285.71 pence per share (2002: 242.86 pence per share).

## 9 TANGIBLE ASSETS

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Computer systems £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2002	1,469,184	235,666	3,415,706	622,296	5,742,852
Additions	-	58,828	123,481	144,833	327,142
Disposals	-	(53,063)	-	-	(53,063)
At 31 August 2003	<u>1,469,184</u>	<u>241,431</u>	<u>3,539,187</u>	<u>767,129</u>	<u>6,016,931</u>
<b>DEPRECIATION</b>					
At 1 September 2002	1,024,915	209,748	2,489,007	385,722	4,109,392
Charge for year	52,084	23,096	342,213	110,430	527,823
Disposals	-	(44,998)	-	-	(44,998)
At 31 August 2003	<u>1,076,999</u>	<u>187,846</u>	<u>2,831,220</u>	<u>496,152</u>	<u>4,592,217</u>
<b>NET BOOK VALUE</b>					
At 31 August 2003	<u>392,185</u>	<u>53,585</u>	<u>707,967</u>	<u>270,977</u>	<u>1,424,714</u>
At 31 August 2002	<u>444,269</u>	<u>25,918</u>	<u>926,699</u>	<u>236,574</u>	<u>1,633,460</u>

## 10 STOCKS

	2003	2002
	£	£
Stocks of maps, phonecards, gold coins, mobile phone top-up vouchers etc.	<u>97,451</u>	<u>127,318</u>

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

## 11 DEBTORS

	2003	2002
	£	£
Trade debtors	33,314,428	42,732,900
Other debtors	159,959	147,100
Deferred tax asset	36,854	-
Prepayments and accrued income	430,182	244,569
	<u>33,941,423</u>	<u>43,124,569</u>

	2003	2002
	£	£
Deferred tax asset		
At 1 September 2002	-	-
Credited to the profit and loss account	36,854	-
At 31 August 2003	<u>36,854</u>	<u>-</u>

The deferred tax balance is analysed as follows: the accumulated excess of depreciation over corresponding capital allowances £32,354 (2002: £nil), and short-term timing differences £4,500 (2002: £nil).

## 12 CURRENT ASSET INVESTMENTS

	2003	2002
	£	£
Quoted US securities (market value 2003 £21,817; 2002 £18,773)	<u>21,817</u>	<u>18,773</u>

## 13 CASH AT BANK AND IN HAND

At 31 August 2003, cash balances with banks included £13,911,946 (2002: £8,388,992) of customer deposits.

The corresponding liability is included within trade creditors (Note 14).

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

## 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Trade creditors	47,584,650	50,960,779
Proposed dividend	-	38,000
Taxation and social security costs (see below)	967,739	512,963
Accruals and deferred income	1,053,212	1,434,264
	<u>49,605,601</u>	<u>52,946,006</u>

Taxation and social security costs are made up as follows:

	2003	2002
	£	£
United Kingdom corporation tax payable	701,501	300,180
PAYE and social security costs	266,238	212,783
	<u>967,739</u>	<u>512,963</u>

## 15 CALLED UP SHARE CAPITAL

		2003	2002
		<i>Ordinary shares of £1 each</i>	
Authorised	- value	£1,000,000	£1,000,000
	- number	1,000,000	1,000,000
Allotted, called up and fully paid	- value	£350,000	£350,000
	- number	350,000	350,000

## 16 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit on ordinary activities after taxation	2,255,141	1,431,830
Ordinary dividends	(1,000,000)	(850,000)
Net additions to equity shareholders' funds	1,255,141	581,830
Opening equity shareholders' funds	5,438,655	4,856,825
Closing equity shareholders' funds	<u>6,693,796</u>	<u>5,438,655</u>

## Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 2003

### 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:	2003	2002
	£	£
Within one year	<u>1,680,908</u>	1,528,728
Within two to five years inclusive	27,500	27,500
After five years	<u>973,385</u>	939,650
	<u>2,681,793</u>	<u>2,495,878</u>

#### b) CAPITAL COMMITMENTS

Capital commitments at 31 August 2003 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

	2003	2002
	£	£
	<u>160,000</u>	<u>20,000</u>

### 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 £1,000,000 (2002: £850,000) paid or payable to the immediate parent company (note 8), there have been no transactions with group undertakings.