

TTT Moneycorp Limited

Annual Report & Consolidated Financial Statements for the year ended 31 August 2011

Company Number 00738837

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TTT Moneycorp Limited
Financial statements for the year ended 31 August 2011

Company information

AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

BANKERS

The Royal Bank of Scotland Plc
Financial Institutions Group
Corporate Banking London
9th Floor, 280 Bishopsgate
London
EC2M 4RB

HSBC Bank Plc
West End Corporate Banking Centre
70 Pall Mall
London
SW1Y 5EZ

Barclays Bank Plc
Financial Services Team
Level 11, 1 Churchill Place
London
E14 5HP

SOLICITORS

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London
EC4R 9HA

COMPANY REGISTRATION NUMBER

00738837

DATE OF INCORPORATION

25 October 1962

TRADING NAMES

Moneycorp
TTT Foreign Exchange Corporation
The Money Corporation
Moneycorp Markets
CASHDIRECT
minimoney

REGISTERED OFFICE

2 Sloane Street
Knightsbridge
London
SW1X 9LA

COMPANY SECRETARY

R W Birchall (appointed 11 November 2010)
M P Weinberg (resigned 11 November 2010)

DIRECTORS

R Birchall
J Bryce (appointed 26 October 2010)
J Kent
P Lever
N Medici
I McGillivray (resigned 26 October 2010)
D Postings
B Shlewet (resigned 25 October 2011)

Subject to FSA approval

T Bownes (appointed 25 November 2011)
M England (appointed 25 November 2011)
L McMurray (appointed 25 November 2011)
S Robinson (appointed 24 November 2011)

TTT Moneycorp Limited
Financial statements for the year ended 31 August 2011

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TTT Moneycorp Limited
Directors' Report
for the year ended 31 August 2011

The Directors present their report and the audited consolidated financial statements of TTT Moneycorp Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31 August 2011

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are the provision of a broad range of foreign exchange and payment services to businesses and individuals. Both the Company and its subsidiary, Moneycorp Markets Limited, are authorised and regulated by the Financial Services Authority (FSA), although Moneycorp Markets Limited did not actively trade during the year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Group responded strongly to the continuously challenging economic environment delivering an excellent performance, with gross profit up £2.1m to £62.9m (2010: £60.8m). Profit before tax increased to £7.7m (2010: £6.9m). Underlying these, administrative expenses increased by 2.1% (2010: increase 2.0%) as new products were developed and investment in infrastructure and people positions the Group for future growth.

During the year we completed our strategic review, resulting in the implementation of an exciting range of new products and services including a new dealing platform, a refreshed brand and on-line presence and a new travel money service. This will continue into 2012, as we refit our airport and high-street bureaux with our new, unified corporate branding and launch additional innovative products.

Our Retail division delivered a solid contribution to the overall business. Our London bureaux de change performed very well. This was due, in part, to the growing number of tourists visiting London taking advantage of sterling's continued weakness against key currencies, and also from an increase in transaction size. We also saw positive results from the close relationships we have built and continually maintain with our travel industry partners. Our airport operations delivered an excellent performance in light of the challenges it faced.

Our Wholesale division benefitted from gaining significant numbers of new domestic and overseas clients during the year with performance improving as the year progressed. We continue to invest in this business and appointed a new Wholesale Director during the year to develop and implement our strategic plans.

Our Commercial Foreign Exchange division delivered a good performance during the year, growing income and profit in both the corporate and private sectors. Growth was facilitated through the launch of our new dealing and payments system, which provides an efficient and scalable product to meet anticipated future growth. Our Corporate business achieved growth as a result of both higher client numbers and increased trading patterns driven in part by market volatility but also by improving customer satisfaction and retention. We continued to invest in new products and saw encouraging growth across both new and existing products. Our private business was similarly boosted by increased volumes driven by maintaining strong client relationships, enhanced by our new trading platform. The impact of these should be measured against a backdrop of marginal growth in the overseas property market and emigration levels. We are particularly satisfied to have grown this business and are certain that continuing to do so will leave us well positioned for the future. During the year we closed our Australian business to focus on core activities in our key markets.

Our new Travel Money home delivery service was launched during the summer and is performing well. Subsequent to year end, an innovative multi-currency pre-paid card was launched and has received a very positive response from the market. We remain confident that our strategic goals, supported by our continued investment in people, infrastructure and processes, are achievable and will result in sustainable growth.

During October 2011, The RBS Special Opportunities Fund, managed by RBS Asset Management Limited, completed the purchase of additional share capital in Regent Acquisitions (Holdings) Limited, the Company's ultimate holding company, taking its shareholding to 95.75%. The Company also intends to change its accounting reference date to 31 December.

TTT Moneycorp Limited
Directors' Report (continued)
for the year ended 31 August 2011

RISKS AND UNCERTAINTIES

Operational risk - Management has identified operational risk as the business' primary risk. Operational risk includes the risk arising within the organisation from inadequate or failed internal processes, inadequately designed or maintained systems, inappropriate staff levels or inadequately skilled or managed people. Operational risk exposures are identified, managed and controlled by management. Internal controls include the organisational structures and delegation of authority within the Group. Systems are designed to manage and, as far as possible, eliminate the risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss.

Currency risk - The Group has small overseas operations in the US and Spain. As a result it is subject to foreign exchange exposures arising from the translation of the results and underlying net assets of its overseas subsidiaries into Sterling. The Group maintains bank balances and currency stocks in a number of currencies. It invoices and receives payment in these currencies. The Group is therefore exposed to movements in foreign exchange rates on these balances.

Liquidity risk - The settlement of spot and forward contracts and other short term working capital requirements requires adequate liquidity which is generated through intra-day settlement facilities. These facilities are provided through financial institutions with which the Group has a long trading history. The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Physical risk - Physical risk arises from the Group's exposure to theft, misappropriation or damage to its physical assets. The Group maintains appropriate physical security measures and operates suitable policies and procedures to mitigate this risk. The Group also maintains appropriate levels of insurance to limit its exposure.

Credit risk - Credit risk arises from the possibility that the Group will incur losses from the failure of its customers to meet their obligations. The Group does not generally provide credit to its customers but credit exposures can arise, normally for a short period of time, as the Group depends on its customers to pay for monies and services provided and to perform on foreign exchange contracts. All material credit exposures require approval by the Group Credit Committee comprising individuals independent of business revenue generation. Credit exposures are monitored regularly against approved risk limits, with client margins called for where appropriate.

Regulatory and compliance risk - Regulatory risk is the risk of the financial or reputational loss arising from failure to meet the requirements of the Group's regulators. Compliance risk is the risk that the Group fails to adhere to the relevant rules and regulations that apply to its business. The Group has a dedicated team to set policy and ensure compliance with the FSA, anti-money laundering regulations and other regulatory requirements throughout the business operations.

RESULTS

The consolidated profit and loss account for the year is set out on page 9.

DIVIDENDS

The Directors have approved and paid an interim and final dividend of £14.86 per share, totalling £5.2m (2010: £10.57 per share, totalling £3.7m).

DIRECTORS

The Directors listed below have served the Company during the year and up to the date of this report.

R Birchall	Executive
T Bownes (appointed 25 November 2011*)	Non-Executive
J Bryce (appointed 26 October 2010)	Non-Executive
M England (appointed 25 November 2011*)	Non-Executive
J Kent	Non-Executive
P Lever	Non-Executive
N Medici	Executive
I McGillivray (resigned 26 October 2010)	Non-Executive
L McMurray (appointed 25 November 2011*)	Non-Executive
D Postings	Executive
S Robinson (appointed 24 November 2011*)	Executive
B Shlewet (resigned 25 October 2011)	Non-Executive
* Subject to FSA approval	

TTT Moneycorp Limited
Directors' Report (continued)
for the year ended 31 August 2011

CHARITIES AND DONATIONS

During the year, the Group made donations in the UK for charitable purposes amounting to £9,511 (2010 £6,472) of which £7,652 (2010 £5,021) was paid to national charities with the balance of £1,859 (2010 £1,451) paid to local charities. No single donation was greater than £2,000 nor were any donations made for political purposes (2010 £nil)

EMPLOYMENT OF DISABLED PERSONS

It is the policy of the Group to give full and fair consideration to applications for employment made by disabled persons, with regard to their particular aptitudes and abilities. Wherever possible, arrangements are made for the continued employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled persons.

INFORMATION TO EMPLOYEES

Appropriate action has been taken to provide Group employees with information on matters of concern to them, including consulting with employees or their representatives, encouraging their involvement in the Group's performance and achieving an awareness on the part of employees of the financial and economic factors affecting the Group's performance.

CORPORATE GOVERNANCE

Whilst the Group is not required to comply with the Combined Code 2008, the Directors intend, so far as possible and, to the extent appropriate given Group's size and the constitution of the Board, to comply with the Combined Code on Corporate Governance.

The Board has an established Audit Committee, chaired by Paul Lever, which comprises the Non-Executive Directors with formally delegated responsibilities. The Audit Committee meets regularly and is responsible for ensuring that the financial performance of the Group is properly monitored and reported. It is also responsible for appointing the auditors, ensuring the auditors' independence is not compromised and reviewing the reports on the Group from the auditors in relation to the accounts.

A Remuneration Committee consisting of the Non-Executive Directors meets regularly to consider and approve any major change in the structure of remuneration packages of senior employees of the Group and their objectives, together with performance against these and the awarding of any related bonuses.

During the year, the Board established a Risk Committee, consisting of a Non-Executive Director and senior management with formally delegated responsibilities. It meets regularly to provide effective oversight of the Group's internal control and risk management systems, practices, policies and procedures, and to ensure the effectiveness of risk identification and management, and compliance with internal guidelines and external requirements.

INTERNAL CONTROL

The Directors' review extends to cover not just internal financial controls but all controls including operations, compliance and risk management.

The Directors are responsible for the system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The key procedures that have been established and which are designed to provide effective internal control are as follows:

Management structure - the Board meets regularly and minutes of its meetings are maintained.

Financial reporting - budgets are prepared and reviewed by executive management, with Board approval thereafter. Any material variances to actual results are investigated and explained.

Investment appraisal - the Group has a clearly defined framework for capital expenditure requiring approval by key personnel and the Board where appropriate.

Anti-money laundering - the Company and its subsidiary, Moneycorp Markets Limited, are authorised and regulated by the FSA for the conduct of designated investment business, selling of travel insurance and for the provision of payment services and the Company is a licensed Money Services Business (MSB). It treats anti-money laundering and fraud prevention as a major priority. The Board regularly reviews anti-money laundering activity and trends.

TTT Moneycorp Limited
Directors' Report (continued)
for the year ended 31 August 2011

INTERNAL CONTROL (continued)

Internal Audit - the Internal Audit function reviews the effectiveness of systems and procedures for combating fraud and controlling risk throughout the business. Findings and recommendations are reviewed and approved by senior management and are made available to Board members, the Audit Committee and the external auditors.

The Board has reviewed the effectiveness of the system of internal controls and has considered the major business risks and the control environment. There is an ongoing programme of systems development and any risks identified are incorporated into the programme.

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 418, Directors in office at the date of approval of this report confirm that

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss for that period. In preparing those financial statements the Directors are required to

- i) select suitable accounting policies and then apply them consistently,
- ii) make judgements and accounting estimates that are reasonable and prudent,
- iii) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- iv) 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 adequate accounting records that are sufficient to show and explain the Group and Company transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP was proposed and approved at the board meeting on the 7th December 2011.

ON BEHALF OF THE BOARD



D Postings
Director

15 December 2011

TTT Moneycorp Limited
Independent Auditors' Report to the Members
for the year ended 31 August 2011

We have audited the Group and parent company financial statements (the "financial statements") of TTT Moneycorp Limited for the year ended 31 August 2011 which comprise the Consolidated Profit and Loss Account, the Consolidated Group and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, the Group and Company Reconciliation of Movement in Shareholders' Funds and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

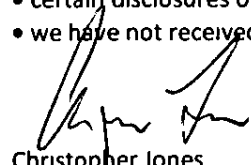
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Christopher Jones
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 December 2011

TTT Moneycorp Limited
**Consolidated profit and loss account
for the year ended 31 August 2011**

	Notes	2011 £000	2011 £000	2010 £000	2010 £000
REVENUE	2		62,872		60,844
Continuing operations		62,872		60,559	
Discontinued operations		-		285	
		62,872		60,844	
Administrative expenses			(55,401)		(54,199)
OPERATING PROFIT	3		7,471		6,645
Continuing operations		7,437		6,940	
Discontinued operations		34		(295)	
		7,471		6,645	
Interest receivable and similar income	6		210		358
Interest payable and similar charges	7		(21)		(85)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			7,660		6,918
Taxation on result of ordinary activities	8		(875)		(1,005)
PROFIT FOR THE YEAR	19		6,785		5,913

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

The notes on pages 13 to 21 form part of the financial statements

**Consolidated statement of total recognised gains and losses
for the year ended 31 August 2011**

	2011 £000	2010 £000
PROFIT FOR THE FINANCIAL YEAR	6,785	5,913
Exchange adjustment taken to reserves (translation of foreign investments)	54	(15)
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR	6,839	5,898

TTT Moneycorp Limited
Consolidated balance sheet
As at 31 August 2011

	Notes	2011 £000	2011 £000	2010 £000	2010 £000
FIXED ASSETS					
Tangible assets	10		4,008		3,281
CURRENT ASSETS					
Stocks (non-cash)	13	151		137	
Debtors	14	258,859		176,725	
Cash at bank and in hand	15	73,107		68,971	
		<u>332,117</u>		<u>245,833</u>	
CREDITORS - Amounts falling due within one year	16	<u>(313,404)</u>		<u>(227,994)</u>	
NET CURRENT ASSETS			18,713		17,839
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,721</u>		<u>21,120</u>
CREDITORS - Amounts falling due after more than one year					
Provisions for liabilities	17		.		(38)
NET ASSETS			<u>22,721</u>		<u>21,082</u>
CAPITAL AND RESERVES					
Called up share capital	18		350		350
Profit and loss account	19		22,371		20,732
SHAREHOLDERS' FUNDS	20		<u>22,721</u>		<u>21,082</u>

Approved by the Board on 15 December 2011 and signed on its behalf by



D Postings
Director



R Birchall
Director

TTT Moneycorp Limited
Company balance sheet
As at 31 August 2011

	Notes	2011 £000	2011 £000	2010 £000	2010 £000
FIXED ASSETS					
Tangible assets	11		3,932		3,228
Investments	12		337		339
			<u>4,269</u>		<u>3,567</u>
CURRENT ASSETS					
Stocks (non-cash)	13	151		137	
Debtors	14	259,357		177,207	
Cash at bank and in hand	15	72,692		68,069	
		<u>332,200</u>		<u>245,413</u>	
CREDITORS					
Amounts falling due within one year	16	(314,560)		(228,163)	
NET CURRENT ASSETS			17,640		17,250
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,909</u>		<u>20,817</u>
CREDITORS					
Amounts falling due after more than one year	17		-		(38)
NET ASSETS			<u>21,909</u>		<u>20,779</u>
CAPITAL AND RESERVES					
Called up share capital	18		350		350
Profit and loss account	19		21,559		20,429
SHAREHOLDERS' FUNDS	20		<u>21,909</u>		<u>20,779</u>


No profit and loss account is presented for the Company as permitted by Section 408 of The Companies Act 2006

The profit after tax for the year ended 31 August 2011 was £6 0m (2010 £5 1m)

The notes on pages 13 to 21 form part of the financial statements

Approved by the Board on 15 December 2011 and signed on its behalf by


D Postings
Director


R Birchall
Director

TTT Moneycorp Limited
**Consolidated cash flow statement
for the year ended 31 August 2011**

	2011 £000	2011 £000	2010 £000	2010 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES		11,808		12,906
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	210		316	
Interest paid	(21)		(85)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		189		231
TAXATION				
Corporation tax paid		(892)		(24)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(1,781)		(397)	
Proceeds on disposal of tangible fixed assets	12		25	
		(1,769)		(372)
NET CASH INFLOW BEFORE FINANCING ACTIVITIES		9,336		12,741
FINANCING				
Equity dividends paid		(5,200)		(3,700)
INCREASE IN CASH BALANCES (SEE BELOW)		4,136		9,041
Opening cash balances		68,971		59,930
Closing cash balances		73,107		68,971
INCREASE IN CASH BALANCES		4,136		9,041

Note to the cashflow
Reconciliation of operating profit to cash inflow from operating activities

Operating profit		7,471		6,645
Depreciation & amortisation	1,043		1,136	
(Gain)/Loss on sale of fixed assets	(1)		4	
Adjustment in respect of prior year	54		-	
(Increase)/decrease in stocks (non-cash)	(14)		156	
(Increase)/decrease in debtors	(82,134)		(42,918)	
Increase/(decrease) in creditors	85,389		47,883	
		4,337		6,261
NET CASH INFLOW FROM OPERATING ACTIVITIES		11,808		12,906

TTT Moneycorp Limited

Notes to the financial statements for the year ended 31 August 2011

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis and under the historical cost convention in accordance with laws and accounting standards applicable in the United Kingdom and with the Companies Act 2006. A summary of accounting policies of the Group, which have been applied consistently, is set out below.

(a) BASIS OF PREPARATION

The consolidated financial statements incorporate the accounts of the Company and its subsidiary undertakings prepared to 31 August 2011. The Directors have decided not to present the Company profit and loss account.

(b) BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of TTT Moneycorp Limited and its subsidiary undertakings for the year ended 31 August 2011. The profits and losses of subsidiaries are consolidated from the date of acquisition to the date of disposal. All intra-group balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated fully on consolidation.

(c) TANGIBLE FIXED ASSETS

Leasehold properties and improvements 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:

Motor vehicles - 25% straight line

Fixtures and fittings - 15% straight line

Computer equipment - 25% straight line

Leasehold properties are depreciated over the period of the leases and improvements to leasehold properties over the expected life of those improvements, or period of leases, whichever is shorter.

(d) STOCKS (non-cash)

Stocks include maps, phone cards, gold coins and mobile top-up vouchers, 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. Stocks of foreign currencies are valued at the closing market price.

(e) INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed when there has been an indication of potential impairment.

(f) INVESTMENTS

Investment holdings are valued at the lower of cost and net realisable value as at the balance sheet date.

(g) 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 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 assets and liabilities relating to foreign currency exchange contracts are reported in the balance sheet under debtors and creditors respectively.

The accounts of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the re-translation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

TTT Moneycorp Limited**Notes to the financial statements (continued)
for the year ended 31 August 2011****1 PRINCIPAL ACCOUNTING POLICIES (Continued)****(h) TURNOVER, COST OF SALES AND REVENUE**

The Directors have changed their accounting policy with regard to the definition of Turnover. Following a review of emerging market practice, the Directors believe that a more appropriate definition of turnover is the net value of currencies bought and sold as well as other sales. Specifics for each business segment are described below.

Retail turnover comprises the value of currencies traded as a result of the Group's operation of bureaux de change. It also includes sale of travellers' cheques and transactions involving money transfers, bankers' drafts, credit cards and encashment of personal cheques. Turnover is recognised when the transaction is made.

The Wholesale business provides money services by supplying foreign currency notes to individuals and businesses. Turnover is recognised on the trade date of the currency order.

Turnover from the Commercial Foreign Exchange business consists of the value of currencies sold in spot and forward currency deals and options. Turnover is recognised at trade date.

For online trading, turnover comprises income earned on online trading services, which is recognised when the transaction is made.

Agency commissions and fees received on other items are recognised in the period when the transaction is made.

As a result, the financial information relating to the gross value of traded currencies and other sales and purchases has been moved to a note. There have been no other financial impacts of this change.

(i) OPERATING LEASES

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(j) PENSIONS - Defined contribution scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge disclosed in note 5 includes contributions payable by the Company to the fund.

(k) 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 Group'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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

(l) TRADE DEBTORS

Trade debtors are carried at original invoice value, less provision made for impairment. A provision for impairment of trade debtors is established when there is objective evidence that amounts due will not be able to be collected according to the original terms. The amount of the provision is recognised in the profit and loss account by reference to the expected future cash flows. When a trade debtor is deemed uncollectible, it is written off against the provision account for trade debtors.

(m) TRADE CREDITORS

Trade creditors are recognised at fair value.

(n) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the business. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Where possible outflows from the business are considered improbable, this is considered a contingent liability and no liability is recognised.

2 REVENUE

Revenue comprises the gross value of traded currencies and other sales of £5,574m (2010: £5,227m) less the gross value of traded currencies and other purchases of £5,511m (2010: £5,166m) made in the United Kingdom with a portion (less than 1%) overseas.

3 OPERATING PROFIT

	Group 2011 £000	Group 2010 £000
Operating profit is stated after charging/(crediting)		
Fees payable to Company Auditor for the audit of the Company and consolidated accounts	92	72
The audit of the Company's subsidiaries pursuant to legislation	11	18
Other services relating to taxation	37	38
Fees payable for other services	64	145
Operating lease rentals	17,691	17,449
Depreciation of tangible fixed assets (note 10)	1,043	1,136
(Gain)/Loss on disposal of tangible fixed assets	(1)	4

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 August 2011**

	Group 2011 £000	Group 2010 £000
4 DIRECTORS' EMOLUMENTS		
Aggregate emoluments (including benefits) for management services as Directors	960	882
Compensation for loss of office	-	266
Pension contributions	13	61
	<u>973</u>	<u>1,209</u>
Two Directors received pension contributions under money purchase schemes (2010 Four)		
Amounts in respect of the highest paid Directors are as follows		
Aggregate emoluments (including benefits)	330	377
Company contributions to a self administered pension scheme	-	5
	<u>330</u>	<u>382</u>
There are no outstanding pension contributions at 31 August 2011 (2010 £nil)		
5 EMPLOYEE INFORMATION	Group 2011 Number	Group 2010 Number
(a) The average number of persons employed by the Group, including Executive Directors, during the year is analysed below		
Management and administration	97	93
Operations	480	475
	<u>577</u>	<u>568</u>
	2011	2010
	£000	£000
(b) Employment costs - all employees including Directors		
Aggregate gross wages and salaries	20,854	20,541
Social security costs	2,285	2,162
Pension costs	192	196
	<u>23,331</u>	<u>22,899</u>
6 INTEREST RECEIVABLE AND SIMILAR INCOME	Group 2011 £000	Group 2010 £000
Interest receivable and similar income consists of		
Bank interest	210	358
7 INTEREST PAYABLE AND SIMILAR CHARGES	Group 2011 £000	Group 2010 £000
Interest payable and similar charges consists of		
Bank interest	2	31
Other interest payable	19	54
	<u>21</u>	<u>85</u>
8 TAXATION ON RESULT OF ORDINARY ACTIVITIES	Group 2011 £000	Group 2010 £000
(a) Analysis of charge for the year		
Current tax		
UK corporation tax for the year at 27.2% (2010 28%)	705	647
Adjustments in respect of previous periods	(3)	228
Overseas tax	216	147
Total current tax, note 8(b)	<u>918</u>	<u>1,022</u>
Deferred tax		
Total deferred tax charge (note 17)	<u>(43)</u>	<u>(17)</u>
Tax on profit on ordinary activities	<u>875</u>	<u>1,005</u>

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 August 2011**

for the year ended 31 August 2011		Group 2011 £000	Group 2010 £000		
8	TAXATION ON RESULT OF ORDINARY ACTIVITIES (continued)				
(b) Factors affecting tax charge for the year					
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below					
Profit on ordinary activities before taxation		7,660	6,918		
At the standard rate of corporation tax in the UK of 27.2% (2010: 28%)		2,083	1,937		
Effects of					
Expenses not deductible for tax purposes		46	54		
Accelerated capital allowances		(43)	(17)		
Overseas tax rate differential		20	9		
Adjustments to tax charge in respect of previous periods		(3)	228		
Group relief received		(1,185)	(1,189)		
Current tax charge for the year (note 8(a))		918	1,022		
		Group 2011 £000	Group 2010 £000		
9	DIVIDENDS				
Final dividend paid £14.86 (2010: £10.57) per share		5,200	3,700		
10	TANGIBLE ASSETS - GROUP				
		Fixtures and Fittings £000	Computer Equipment £000	TOTAL £000	
	Leasehold Properties £000	Motor Vehicles £000			
COST					
At 1 September 2010	1,643	344	8,215	2,813	13,015
Additions	-	29	188	1,564	1,781
Disposals	(62)	(64)	(412)	-	(538)
At 31 August 2011	1,581	309	7,991	4,377	14,258
ACCUMULATED DEPRECIATION					
At 1 September 2010	1,371	282	5,807	2,274	9,734
Charge for the year	32	31	627	353	1,043
Disposals	(62)	(53)	(412)	-	(527)
At 31 August 2011	1,341	260	6,022	2,627	10,250
NET BOOK VALUE					
At 1 September 2010	272	62	2,408	539	3,281
At 31 August 2011	240	49	1,969	1,750	4,008
11	TANGIBLE ASSETS - COMPANY				
		Fixtures and Fittings £000	Computer Equipment £000	TOTAL £000	
	Leasehold Properties £000	Motor Vehicles £000			
COST					
At 1 September 2010	1,590	273	8,189	2,851	12,903
Additions	-	3	188	1,552	1,743
Disposals	(62)	(14)	(451)	(23)	(550)
At 31 August 2011	1,528	262	7,926	4,380	14,096
ACCUMULATED DEPRECIATION					
At 1 September 2010	1,370	253	5,790	2,262	9,675
Charge for the year	32	22	618	343	1,015
Disposals	(62)	(13)	(451)	-	(526)
At 31 August 2011	1,340	262	5,957	2,605	10,164
NET BOOK VALUE					
At 1 September 2010	220	20	2,399	589	3,228
At 31 August 2011	188	-	1,969	1,775	3,932

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 August 2011**

	2011 £000	2010 £000
12 INVESTMENTS - COMPANY		
Cost		
At 1 September 2010	2,437	2,437
Additions/Disposals	-	-
At 31 August 2011	2,437	2,437
Impairments		
At 1 September 2010	(2,098)	(1,143)
Provisions for impairments	(2)	(955)
At 31 August 2011	(2,100)	(2,098)
Net book amount		
At 1 September	339	1,294
At 31 August	337	339

Company	Nature of business	Country of incorporation	Class of shares	Holding
Moneycorp SLU	Introducing broker	Spain	Ordinary	100%
Moneycorp Inc	Introducing broker	USA	Ordinary	100%
TTT Moneycorp Pty Ltd	Introducing broker	Australia	Ordinary	100%
Moneycorp Markets Ltd	Online trading	UK	Ordinary	100%

All the above subsidiaries are included in the consolidated financial statements

	Group and Company	
	2011 £000	2010 £000
13 STOCKS (non-cash)		
Stocks of maps, phone cards, gold coins, mobile top-up vouchers	151	137

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
14 DEBTORS				
Amounts falling due within one year				
Trade debtors	256,038	174,774	256,038	174,657
Less provision for trade debtors	(128)	(114)	(128)	(114)
Net trade debtors	255,910	174,660	255,910	174,543
Amounts owed by Parent undertakings	403	311	403	311
Amounts owed by Group undertakings	-	-	112	61
Prepayments	1,928	1,436	1,906	1,415
Other debtors	618	318	1,026	877
	258,859	176,725	259,357	177,207

Amounts owed between Parent and Group undertakings are unsecured, interest free and repayable on demand. Other debtors includes a deferred tax asset of £4,445 (2010 Liability £38,248)

15 CASH AT BANK AND IN HAND (Group)

At 31 August 2011, the Group's cash balances with banks included £47.2m (2010 £43.6m) of customer deposits. The corresponding liability is included within trade creditors (Note 16)

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank overdrafts	-	-	-	23
Trade creditors	308,313	222,181	308,294	221,874
Amounts owed to Parent undertakings	356	256	356	256
Amounts owed to Group undertakings	-	-	1,520	819
PAYE and social security costs	734	611	653	578
Corporation tax payable	516	533	311	472
Accruals and deferred income	3,485	4,413	3,426	4,141
	313,404	227,994	314,560	228,163

Amounts owed between Parent and Group undertakings are unsecured, interest free and repayable on demand

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 August 2011**
17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Provisions for liabilities - Deferred tax
At 1 September
Charged to the profit and loss account
At 31 August

Group	
2011	2010
£000	£000
38	55
(38)	(17)
-	38

The deferred tax balance of Enil (2010 £38k) is the accumulated excess of capital allowances over corresponding depreciation and other timing differences

18 CALLED UP SHARE CAPITAL

Authorised - value
Authorised - number

Allotted, called up and fully paid - value
Allotted, called up and fully paid - number

Group	
Ordinary shares of £1 each	
2011	2010
£1,000,000	£1,000,000
1,000,000	1,000,000
£350,000	£350,000
350,000	350,000

19 PROFIT AND LOSS ACCOUNT

At 1 September
Profit for the financial year
Dividends paid
Exchange adjustment taken to reserves (translation of foreign investments)
At 31 August

Group		Company	
2011	2010	2011	2010
£000	£000	£000	£000
20,732	18,534	20,429	19,010
6,785	5,913	6,299	5,119
(5,200)	(3,700)	(5,200)	(3,700)
54	(15)	31	-
22,371	20,732	21,559	20,429

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Opening equity shareholders' funds

Profit on ordinary activities after taxation
Dividends paid
Exchange adjustment taken to reserves (translation of foreign investments)
Net addition to shareholders' funds

Closing equity shareholders' funds

Group		Company	
2011	2010	2011	2010
£000	£000	£000	£000
21,082	18,884	20,779	19,360
6,785	5,913	6,299	5,119
(5,200)	(3,700)	(5,200)	(3,700)
54	(15)	31	-
1,639	2,198	1,130	1,419
22,721	21,082	21,909	20,779

TTT Moneycorp Limited

Notes to the financial statements (continued) for the year ended 31 August 2011

21 FINANCIAL COMMITMENTS

(a) Contractual annual commitments

The Group leases certain premises on short-term contracts. The rents payable under these leases are subject to renegotiation at various intervals specified in the leases and for which the Group pays all insurance, maintenance and repairs. Payments due in the forthcoming year under non-cancellable operating leases are as follows

	Group and Company	
	2011	2010
	£000	£000
Date of termination of leases/contracts		
Within one year	88	150
Within two to five year's inclusive	8,078	7,225
After five years	232	1,036
	8,398	8,411

(b) Capital commitments

Capital commitments at 31 August 2011 for which no provision has been made in these financial statements were as follows

	Group and Company	
	2011	2010
	£000	£000
Capital expenditure contracted for but not provided for in the financial statements at the balance sheet date	-	18

22 RELATED PARTY TRANSACTIONS

Mr B Shlewet entered into transactions with TTT Moneycorp Limited during the year yielding commission income of less than £250 (2010 £1,000). There were no deals outstanding that were not yet due for settlement at the year end (2010 None). All transactions were carried out at arm's length.

Mr I McGillivray entered into transactions with TTT Moneycorp Limited during the year yielding commission income of less than £250. There were no deals outstanding that were not yet due for settlement at the year end (2010 £45,000). All transactions were carried out at arm's length.

Mr P Lever is a Director of Datong PLC. During the year Datong PLC entered into foreign exchange transactions resulting in a gross profit for TTT Moneycorp Limited of £12,931 (2010 £9,422). There were deals outstanding that were not yet due for settlement at the year end totalling £1.11m (2010 £0.68m). Mr Lever is also Chairman of Bishop International Limited. During the year Bishop International Limited supplied services to the Group to the value of £8,024 (2010 £8,330). The balance outstanding at the year end was £nil (2010 £nil). All transactions were carried out at arm's length.

During the year, the Group entered into transactions with Contour Aerospace Limited, a Company related by common control. Contour Aerospace Limited executed foreign exchange transactions resulting in a gross profit for TTT Moneycorp Limited of £223,716 (2010 £nil). There were deals outstanding that were not yet due for settlement at the year end totalling £26.4m (2010 £nil). All transactions were carried out at arm's length.

During the year the Group entered into transactions with Royal Bank of Scotland plc which contributed £7.5m to gross profit. There were deals outstanding that were not yet due for settlement at the year end totalling £198m (2010 £56m). All transactions were carried out at arm's length.

23 ULTIMATE HOLDING COMPANY AND CONTROL

At the balance sheet date, the ultimate holding company is Regent Acquisitions (Holdings) Limited, a company incorporated and registered in Jersey, Channel Islands. The ultimate controllers of this company at the balance sheet date were Omayad Settlement (Shlewet Family Trust), and the RBS Special Opportunities Fund (a Fund which is managed by RBS Asset Management Limited* and for which the nominee company is RB Investments 1 Limited) together with senior management of TTT Moneycorp Limited.

*RBS Asset Management Limited is a subsidiary of Royal Bank of Scotland plc

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 August 2011**
24 FINANCIAL RISK MANAGEMENT

The Group's principal risk management objective is to avoid financial loss. The Group actively manages risks through regular reviews of the current and projected order book to ensure that risks do not become excessive or overly concentrated. Specific due diligence is undertaken to assess the risk associated with new customers. The Group does not generally provide credit to its customers. The Group maintains relationships with a number of top-tier bank counterparties to mitigate concentration risk. More information on the Group's risk management objectives and processes for managing risk are set out in the Directors' report.

The table below sets out the Group's financial instruments by class. Assets and liabilities are measured at the transaction price agreed with the customer or counterparty. Assets are impaired if it is considered that the likelihood of recovery is low.

(a) Derivative financial instruments		2011	2010	
		£000	£000	
Forward foreign currency	Assets	255,910	174,660	
	Liabilities	(257,488)	(175,517)	
	Net assets/(liabilities)	(1,578)	(857)	
(b) Non-derivative financial instruments				
Receivables - short term	Non-customer cash	25,874	25,394	
	Other receivables	2,945	2,573	
		28,819	27,967	
Trade and payables - short term	Customer balances	47,233	43,577	
	Other payables	5,342	8,643	
		52,575	52,220	
(c) Credit risk				
	0-3 months	3-6 months	>6 months	Total
	£000	£000	£000	£000
At 31 August 2011				
Other receivables	1,068	-	-	1,068
Forward foreign currency contracts	155,090	44,259	55,492	254,841
	156,158	44,259	55,492	255,909
	0-3 months	3-6 months	>6 months	Total
	£000	£000	£000	£000
At 31 August 2010				
Other receivables	1,477	-	-	1,477
Forward foreign currency contracts	99,947	37,684	35,552	173,183
	101,424	37,684	35,552	174,660

The other receivables balance of £1.1m (2010: £1.5m) represents the value of spot deals outstanding at the balance sheet date.

Collateral is held in respect of customer deposits and margins received on customer transactions. These amounts are maintained in segregated bank accounts.

Management has reviewed the financial assets of the Group at year end and are satisfied that they remain of a high quality and that no impairments are required to these balances.

(d) Financial instruments at balance sheet date by contractual maturity

		0-3 months	3-6 months	6-12 months	1-2 years	Total
		£000	£000	£000	£000	£000
At 31 August 2011						
	Financial assets	184,978	44,259	43,405	12,088	284,730
	Financial liabilities	(209,674)	(43,926)	(43,130)	(12,036)	(308,766)
		(24,696)	333	275	52	(24,036)
At 31 August 2010						
	Financial assets	129,391	37,684	32,762	2,790	202,627
	Financial liabilities	(154,927)	(37,397)	(32,647)	(2,766)	(227,737)
		(25,536)	287	115	24	(25,110)

TTT Moneycorp Limited

Notes to the financial statements (continued) for the year ended 31 August 2011

24 (d) Financial instruments at balance sheet date by contractual maturity (continued)

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The Group's exposure to foreign exchange movements together with the financial assets and liabilities outlined above are materially hedged with a number of counterparty banks. Management does not consider that there is any undue counterparty or credit risk resulting from this activity

(e) Currency receivable and payable in Sterling at year end

Management have considered the likely impact of exchange rate movement. The impact of which is considered to be immaterial as substantially all of the Group's positions are fully hedged

(f) Managing capital

Management consider share capital and net retained earnings to represent the capital of the business. Management regularly reviews the Group's capital requirements in light of existing and projected future business

25 DISCONTINUED OPERATIONS

During the year, the Group completed the closure of trading operations within Moneycorp Markets Limited, a wholly owned subsidiary. At the balance sheet date, £289,316 (2010: £264,368) of net assets relating to Moneycorp Markets Limited remained within the Group of which £nil (2010: £21,176) related to client balances. No trading positions were open at the balance sheet date

26 POST BALANCE SHEET EVENTS

On 25 October 2011, Omayad Settlement (Shlewet Family Trust) transferred all of its remaining shares to the RBS Special Opportunities Fund, which now holds 95.75% of the share capital of Regent Acquisitions (Holdings) Limited, the Company's ultimate holding company and immediate controller. Following the execution of this transaction, the Directors consider the ultimate controllers of this Company to be RBS Asset Management Limited*

*RBS Asset Management Limited is a subsidiary of Royal Bank of Scotland plc