

TTT Moneycorp Limited

Consolidated and Company Financial Statements
for the year ended 31 December 2012



Company Number 00738837

TTT Moneycorp Limited
Financial statements for the year ended 31 December 2012

Company information

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

DATE OF INCORPORATION

25 October 1962

TRADING NAMES

Moneycorp
TTT Foreign Exchange Corporation
The Money Corporation

BANKERS

Barclays Bank Plc
Level 11
1 Churchill Place
London
E14 5HP

REGISTERED OFFICE

2 Sloane Street
London
SW1X 9LA

HSBC Bank Plc
70 Pall Mall
London
SW1Y 5EZ

DIRECTORS

T Bownes
C Buchan (appointed 24 February 2012)
M England
N Haslehurst (appointed 2 April 2012)
M Horgan (appointed 26 January 2012)
P Lever
L McMurray
A Woolley (appointed 12 September 2012)

Royal Bank of Scotland Plc
9th Floor, 280 Bishopsgate
London
EC2M 4RB

COMPANY REGISTRATION NUMBER

00738837

TTT Moneycorp Limited
Financial statements for the year ended 31 December 2012

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TTT Moneycorp Limited

Directors' Report

for the year ended 31 December 2012

The Directors present their report and the audited consolidated financial statements of TTT Moneycorp Limited ('the Company' and 'Moneycorp') and its subsidiaries ('the Group') for the year ended 31 December 2012

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. The Company is authorised and regulated by the Financial Conduct Authority (FCA), previously the Financial Services Authority (FSA).

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The board are pleased to report that 2012 has been a year of excellent progress in many areas of the business. The year started with a change of executive management with the board welcoming four new Directors, Mark Horgan, CEO (January 2012), Colin Buchan, Chairman (February 2012), Nick Haslehurst, CFO (April 2012) and Andrew Woolley, Executive Director CFX (September 2012). In addition to the board changes, the executive team has been strengthened with specific skills and industry experience added across a range of key roles.

Our business ended 2012, with a clear, aligned set of business units, set up with appropriate resources and clearly positioned for future growth.

Our CFX business enjoyed considerable success in 2012 with the roll out of Moneycorp Online to both our Corporate and Private business, in addition it served a record number of customers. The business also invested in a new overseas branch with Moneycorp Ireland opening in Q1 2013.

Within the retail business, management focus, staff engagement, clear incentivisation and a determined stance, has built a platform for future significant growth. The business secured an exclusive contract for Gatwick Airport until April 2018, extended its contract at Stansted Airport, opened two new bureaux in London and won a contract for bureaux and ATMs at Heathrow Airport.

Moneycorp became an independent deployer of ATMs in 2012. This will greatly aid operational delivery in this high growth business stream, and we ended the year with 33 ATMs.

The business has invested significantly in IT during 2012. All IT infrastructure is now hosted in a co-location managed service environment giving the business greater resilience. Investment was also made in a new wholesale dealing platform, the online reserve and collect site and the travel money online website.

Management continue to focus on identifying significant growth opportunities both within the UK and Overseas together with ensuring best in class support services across the business.

All comparatives relate to the four months ended 31 December 2011.

RISKS AND UNCERTAINTIES

Operational risk - Management has identified operational risk as the business's 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 at all levels of the organisation. 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 robust, but not absolute, assurance against material misstatement or loss.

Currency risk - The Group has small overseas operations in the US, Ireland 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 limited 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 this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

TTT Moneycorp Limited
Directors' Report (continued)
for the year ended 31 December 2012

RISKS AND UNCERTAINTIES (continued)

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 FCA, anti-money laundering regulations and other regulatory requirements throughout the business operations.

Directors' indemnities - As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Derivative instruments

Derivative financial instruments entered into by the Company include interest rate swaps. The Company uses these derivative financial instruments for economic hedging purposes and are accounted for on an accrual basis, based on the swap rate set at each rate set date. Interest payments are accounted for as interest in the profit and loss account.

RESULTS AND DIVIDENDS

The consolidated profit and loss account for the year is set out on page 9. The Directors have approved and paid a dividend of £28.56 per share, totalling £10.0m (four months ended 31 December 2011: £nil).

DIRECTORS

The Directors listed below have served the Company during the year and up to the date of the signing of the financial statements:

R Birchall (resigned 9 February 2012)	Executive
T Bownes	Non-Executive
C Buchan (appointed 24 February 2012)	Non-Executive
M England	Non-Executive
N Haslehurst (appointed 2 April 2012)	Executive
M Horgan (appointed 26 January 2012)	Executive
J Kent (resigned 28 March 2012)	Non-Executive
P Lever	Non-Executive
L McMurray	Non-Executive
N Medici (resigned 30 April 2012)	Executive
D Postings (resigned 5 January 2012)	Executive
S Robinson (resigned 16 April 2012)	Executive
A Woolley (appointed 12 September 2012)	Executive

TTT Moneycorp Limited
Directors' Report (continued)
for the year ended 31 December 2012

CHARITIES AND DONATIONS

During the year, the Group made donations in the UK for charitable purposes amounting to £3,837 (four months ended 31 December 2011 £2,670) of which £3,337 (four months ended 31 December 2011 £1,670) was paid to national charities with the balance being paid to local charities. No single donation was greater than £2,000 nor were any donations made for political purposes.

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 Mr P 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 financial statements.

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 previous period, 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 is authorised and regulated by the FCA for the 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 December 2012

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.

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 prepared the Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 of the Group for that period. In preparing these 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 United Kingdom 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 and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

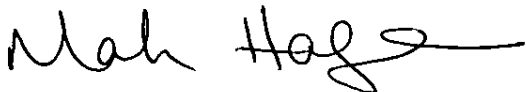
In accordance with Section 418 of the Companies Act 2006, each Director in office at the date of approval of this report confirms that

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

INDEPENDENT AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP was proposed and approved at the board meeting on the 25 April 2013.

ON BEHALF OF THE BOARD



M Horgan
Director and Chief Executive Officer
25 April 2013

TTT Moneycorp Limited
Independent Auditors' Report to the Members of TTT Moneycorp Limited

We have audited the group and parent company financial statements (the "financial statements") of TTT Moneycorp Limited Limited for the year ended 31 December 2012 which comprise Consolidated Profit and Loss Account, Consolidated Statement of Total Recognised Gains and Losses, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and the 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2012 and of the group's profit and cash flows 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.

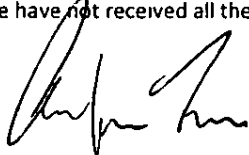
Opinion on other matter prescribed by the Companies Act 2006

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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 behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 April 2013

TTT Moneycorp Limited**Consolidated Profit and Loss Account****for the year ended 31 December 2012**

	Notes	12mths to 31 Dec 12 £000	12mths to 31 Dec 12 £000	4mths to 31 Dec 11 £000	4mths to 31 Dec 11 £000
TURNOVER	2		60,133		21,421
Continuing operations		59,723		21,188	
Discontinued operations		410		233	
		60,133		21,421	
Administrative expenses			(55,687)		(20,487)
OPERATING PROFIT	3		4,446		934
Continuing operations		4,193		826	
Discontinued operations		253		108	
		4,446		934	
Interest receivable and similar income	6		327		103
Interest payable and similar charges	7		(70)		(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			4,703		1,036
Tax credited/(charged) on profit on ordinary activities	8		50		(172)
PROFIT FOR THE FINANCIAL YEAR/PERIOD	19		4,753		864

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

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

Discontinued operations relate to TTT Moneycorp Limited's ownership interests in Moneycorp Financial Risk Management Limited being transferred to its Parent, Regent Acquisitions Limited during the year

Consolidated Statement of Total Recognised Gains and Losses
for the year ended 31 December 2012

	12mths to 31 Dec 12 £000	4mths to 31 Dec 11 £000
PROFIT FOR THE FINANCIAL YEAR/PERIOD	4,753	864
Exchange adjustment taken to reserves (translation of foreign investments)	139	(11)
TOTAL RECOGNISED GAINS IN THE YEAR/PERIOD	4,892	853

TTT Moneycorp Limited
Consolidated Balance Sheet
As at 31 December 2012

	Notes	31 December 2012		31 December 2011	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	10		5,874		4,320
CURRENT ASSETS					
Stocks	13	222		130	
Debtors	14	1,165,202		1,432,712	
Cash at bank and in hand	15	75,958		64,005	
		<u>1,241,382</u>		<u>1,496,847</u>	
CREDITORS - Amounts falling due within one year	16	<u>(1,228,759)</u>		<u>(1,477,500)</u>	
NET CURRENT ASSETS			12,623		19,347
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,497</u>		<u>23,667</u>
CREDITORS - Amounts falling due after more than one year					
Provisions for liabilities	17		(28)		(93)
NET ASSETS			<u>18,469</u>		<u>23,574</u>
CAPITAL AND RESERVES					
Called up share capital	18		350		350
Profit and loss account	19		18,119		23,224
TOTAL SHAREHOLDERS' FUNDS	20		<u>18,469</u>		<u>23,574</u>

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

Approved by the Board on 25 April 2013 and signed on its behalf by



N Haslehurst
 Director and Chief Financial Officer

TTT Moneycorp Limited
Company Balance Sheet
As at 31 December 2012

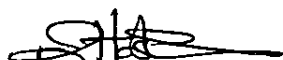
	Notes	31 December 2012		31 December 2011	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	11		5,811		4,251
Investments	12		127		127
			<u>5,938</u>		<u>4,378</u>
CURRENT ASSETS					
Stocks	13		222		130
Debtors	14		1,165,135		1,433,245
Cash at bank and in hand	15		75,913		63,636
			<u>1,241,270</u>		<u>1,497,011</u>
CREDITORS					
Amounts falling due within one year	16		<u>(1,229,623)</u>		<u>(1,478,937)</u>
NET CURRENT ASSETS			11,647		18,074
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,585</u>		<u>22,452</u>
CREDITORS					
Amounts falling due after more than one year	17		(28)		(93)
NET ASSETS			<u>17,557</u>		<u>22,359</u>
CAPITAL AND RESERVES					
Called up share capital	18		350		350
Profit and loss account	19		17,207		22,009
TOTAL SHAREHOLDERS' FUNDS	20		<u>17,557</u>		<u>22,359</u>

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

The loss after tax for the year ended 31 December 2012 was £4.8m (four months to 31 December 2011 profit £0.5m)

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

Approved by the Board on 25 April 2013 and signed on its behalf by



N Haslehurst
 Director and Chief Financial Officer

TTT Moneycorp Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2012

	12mths to 31 Dec 12 £000	12mths to 31 Dec 12 £000	4mths to 31 Dec 11 £000	4mths to 31 Dec 11 £000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		25,061		(8,029)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	327		103	
Interest paid	(70)		(1)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		257		102
Taxation paid		(307)		(484)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	(3,381)		(696)	
Proceeds on disposal of tangible fixed assets	320		5	
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING ACTIVITIES		21,950		(9,102)
FINANCING				
Equity dividends paid		(9,997)		-
INCREASE/(DECREASE) IN CASH BALANCES		11,953		(9,102)
Opening cash balances		64,005		73,107
Closing cash balances		75,958		64,005
INCREASE/(DECREASE) IN CASH BALANCES		11,953		(9,102)

Note to the cashflow

Reconciliation of operating profit to cash inflow from operating activities				
Operating profit		4,446		934
Depreciation and amortisation	1,467		384	
Loss/(gain) on sale of fixed assets	40		(5)	
Unrealised foreign currency movements	139		(17)	
(Increase)/decrease in stocks	(92)		21	
Decrease/(increase) in debtors	267,691		(8,275)	
Decrease in creditors	(248,630)		(1,071)	
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		20,615		(8,963)
		25,061		(8,029)

TTT Moneycorp Limited

Notes to the financial statements for the year ended 31 December 2012

1 PRINCIPAL ACCOUNTING POLICIES

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

(a) BASIS OF PREPARATION

The consolidated financial statements incorporate the accounts of the Company and its subsidiary undertakings prepared for the year ended 31 December 2012. 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 December 2012. 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

Stocks include maps, phone cards, gold coins and train tickets, 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 financial statements of the 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.

(h) FINANCIAL INSTRUMENTS

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.

Notes to the financial statements (continued)
for the year ended 31 December 2012

1 PRINCIPAL ACCOUNTING POLICIES (Continued)**(i) TURNOVER, COST OF SALES AND REVENUE**

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 sales 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 also recognised in the period when the transaction is made.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) TRADE CREDITORS

Trade creditors are carried at original invoice value.

(o) 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 TURNOVER

Turnover comprises the gross value of traded currencies and other sales during the year to 31 December 2012 of £8,548m (four months to 31 December 2011: £2,208m), less the gross value of traded currencies and other purchases in the same period of £8,488m (four months ended 31 December 2011: £2,187m) made in the United Kingdom.

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

Fees payable to the Company Auditor for

The audit of the Company and consolidated financial statements

The audit of the Company's subsidiaries pursuant to legislation

Other services relating to taxation

Fees payable for other services

Release of estimated employee bonus accrued, not payable

Operating lease rentals

Depreciation of tangible fixed assets (note 10)

Gain on disposal of investments

Loss/(gain) on disposal of tangible fixed assets

	Group 12mths to 31 Dec 12	Group 4mths to 31 Dec 11
	£000	£000
	90	92
	5	3
	25	37
	10	34
	(697)	-
	17,927	5,391
	1,467	384
	(317)	-
	40	(5)

TTT Moneycorp Limited
Notes to the financial statements (continued)
for the year ended 31 December 2012

	Group 12mths to 31 Dec 12 £000	Group 4mths to 31 Dec 11 £000
4 DIRECTORS' EMOLUMENTS		
Aggregate emoluments (including benefits) for management services as Directors	1,392	340
Compensation for loss of office	355	65
Pension contributions	3	4
	<u>1,750</u>	<u>409</u>
Amounts in respect of the highest paid Directors are as follows		
Aggregate emoluments (including benefits)	<u>598</u>	<u>100</u>
One Director received pension contributions under money purchase schemes during the year (two four months to 31 December 2011) There are no outstanding pension contributions at 31 December 2012 (31 December 2011 Enil)		
5 EMPLOYEE INFORMATION	Group 12mths to 31 Dec 12 Number	Group 4mths to 31 Dec 11 Number
(a) The average number of persons employed by the Group, including Executive Directors, during the year is analysed below		
Management and administration	94	103
Operations	432	484
	<u>526</u>	<u>587</u>
(b) Employment costs - all employees including Directors	£000	£000
Wages and salaries	19,994	7,621
Social security costs	2,085	902
Other pension costs	198	68
	<u>22,277</u>	<u>8,591</u>
6 INTEREST RECEIVABLE AND SIMILAR INCOME	Group 12mths to 31 Dec 12 £000	Group 4mths to 31 Dec 11 £000
Interest receivable and similar income consists of		
Bank interest	327	103
7 INTEREST PAYABLE AND SIMILAR CHARGES	Group 12mths to 31 Dec 12 £000	Group 4mths to 31 Dec 11 £000
Interest payable and similar charges consists of		
Bank interest	68	1
Other interest	2	-
	<u>70</u>	<u>1</u>
8 TAX ON PROFIT ON ORDINARY ACTIVITIES	Group 12mths to 31 Dec 12 £000	Group 4mths to 31 Dec 11 £000
(a) Analysis of (credit)/charge for the year/period		
Current tax		
UK corporation tax for the year/period	-	-
Overseas tax	15	79
Total current tax, note 8(b)	<u>15</u>	<u>79</u>
Deferred tax		
Total deferred tax (credit)/charge (note 17)	<u>(65)</u>	<u>93</u>
Tax credited/charged on profit on ordinary activities	<u>(50)</u>	<u>172</u>

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 December 2012**

	Group 12mths to 31 Dec 12 £000	Group 4mths to 31 Dec 11 £000
8 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)		
(b) Factors affecting tax charge for the year/period		
The tax assessed for the year is higher than (2011 lower than) the standard rate of corporation tax in the UK of 24% (four months ended 31 December 2011 26%) The differences are explained below		
Profit on ordinary activities before taxation	4,703	1 036
UK corporation tax for the year at 24.5% (four months ended 31 December 2011 26%)	1,152	269
Effects of		
Expenses not deductible for tax purposes	59	44
Accelerated capital allowances and other timing differences	(65)	93
Overseas tax rate differential	2	11
Gain on disposal	77	-
Adjustments to tax charge in respect of previous periods	326	-
Group relief received	(1,536)	(338)
Current tax charge for the year/period (note 8(a))	15	79

On 21 March 2012, the Government announced a reduction in the rate of corporation tax to 24% with effect from 1 April 2012. This reduction was enacted on 26 March 2012 under the Provisional Collection of Taxes Act 1968. The Finance Act 2012, which passed into law on 3 July 2012, included legislation to reduce the main rate of corporation tax from 24% to 23% with effect from 1 April 2013.

On 5 December 2012, the Government announced a further reduction in the main rate of corporation tax to 21% from 1 April 2014. Additionally, on 20 March 2013 the Government announced a further reduction in the main rate of corporation tax to 20% from 1 April 2015.

	Group 12mths to 31 Dec 12 £000	Group 4mths to 31 Dec 11 £000
9 DIVIDENDS		
Dividend paid £28.56 per share (four months ended 31 December 2011 £Nil)	9,997	-

	Leasehold Properties £000	Motor Vehicles £000	Fixtures and Fittings £000	Computer Equipment £000	TOTAL £000
10 TANGIBLE FIXED ASSETS - GROUP					
COST					
At 1 January 2012	1,179	44	3,738	3,062	8,023
Additions	6	17	1,175	2,183	3,381
Disposals	-	-	(147)	(320)	(467)
At 31 December 2012	1,185	61	4,766	4,925	10,937
ACCUMULATED DEPRECIATION					
At 1 January 2012	992	6	1,885	820	3 703
Charge for the year	6	38	639	784	1,467
Disposals	-	-	(107)	-	(107)
At 31 December 2012	998	44	2,417	1,604	5,063
NET BOOK VALUE					
At 1 January 2012	187	38	1,853	2,242	4 320
At 31 December 2012	187	17	2,349	3,321	5,874

	Leasehold Properties £000	Motor Vehicles £000	Fixtures and Fittings £000	Computer Equipment £000	TOTAL £000
11 TANGIBLE FIXED ASSETS - COMPANY					
COST					
At 1 January 2012	1 179	15	3,654	3,004	7 852
Additions	6	-	1,175	2,182	3,363
Disposals	-	-	(139)	(310)	(449)
At 31 December 2012	1,185	15	4,690	4,876	10,766
ACCUMULATED DEPRECIATION					
At 1 January 2012	992	4	1,819	786	3 601
Charge for the year	6	11	653	791	1,461
Disposals	-	-	(107)	-	(107)
At 31 December 2012	998	15	2,365	1,577	4,955
NET BOOK VALUE					
At 1 January 2012	187	-	1,835	2,218	4,251
At 31 December 2012	187	-	2,325	3,299	5,811

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 December 2012**

	31 Dec 12	31 Dec 11
	£000	£000
12 INVESTMENTS COMPANY		
Cost		
At 1 January 2012	2,437	2,437
Additions/disposals	-	-
At 31 December 2012	2,437	2,437
Impairments		
At 1 January 2012	(2,310)	(2,100)
Provision for impairment	-	(210)
At 31 December 2012	(2,310)	(2,310)
Net book value		
At 1 January 2012	127	337
At 31 December 2012	127	127

On 21 June 2012, ownership in Moneycorp Financial Risk Management Ltd (MFRM) was transferred to Regent Acquisitions Limited for a consideration of £317k, being net assets of £290k plus goodwill of £27k. During the year ended 31 August 2010, the Directors' impairment review resulted in the investment in MFRM being written down to zero, hence the gain on disposal in these financial statements of £317k. The Directors believe that the carrying value of the remaining investments is supported by their underlying net assets.

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%

All the above subsidiaries are included in the consolidated financial statements

	Group and Company	
	31 Dec 12	31 Dec 11
	£000	£000
13 STOCKS		
Stocks of maps, phone cards, gold coins and train tickets	222	130

	Group		Company	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
	£000	£000	£000	£000
14 DEBTORS				
Trade debtors	1,161,078	1,429,926	1,161,078	1,429,926
Less: provision for trade debtors	(231)	(254)	(231)	(254)
Net trade debtors	1,160,847	1,429,672	1,160,847	1,429,672
Amounts owed by Parent undertakings	730	469	730	469
Amounts owed by Group undertakings	-	-	13	459
Other debtors	714	469	665	422
Corporation tax	181	-	155	129
Prepayments and accrued income	2,730	2,102	2,725	2,094
	1,165,202	1,432,712	1,165,135	1,433,245

Amounts owed between Parent and Group undertakings are unsecured, interest free and repayable on demand. The 2011 comparatives have been re-presented resulting in an increase of £1,166m to trade debtors to conform with the 2012 presentation.

15 CASH AT BANK AND IN HAND

At 31 December 2012, the Group's cash balances with banks included £63.8m (31 December 2011: £43.6m) of customer deposits. The corresponding liability is included within trade creditors (Note 16).

	Group		Company	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
	£000	£000	£000	£000
16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade creditors	1,223,422	1,471,307	1,223,420	1,471,287
Amounts owed to Parent undertakings	52	265	52	265
Amounts owed to Group undertakings	-	-	961	1,680
Taxation and social security	586	864	551	789
Corporation tax	-	111	-	-
Accruals and deferred income	4,699	4,953	4,639	4,916
	1,228,759	1,477,500	1,229,623	1,478,937

Amounts owed between Parent and Group undertakings are unsecured, interest free and repayable on demand. The 2011 comparatives have been re-presented resulting in an increase of £1,166m to trade creditors to conform with the 2012 presentation.

TTT Moneycorp Limited
**Notes to the financial statements (continued)
for the year ended 31 December 2012**
17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR
Deferred tax

At 1 January 2012/Comparative 1 September 2011
(Credited)/charged to the profit and loss account
At 31 December

Group and Company	
31 Dec 12	31 Dec 11
£000	£000
93	-
(65)	93
28	93

The deferred tax balance of £28,140 (31 December 2011 £92,794) is the accumulated excess of capital allowances over corresponding depreciation and other timing differences

18 CALLED UP SHARE CAPITAL
Ordinary shares of £1 each

Authorised - value
Authorised - number

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

Group and Company	
31 Dec 12	31 Dec 11
£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 January 2012/Comparative 1 September 2011
Profit for the financial year
Dividends paid
Exchange adjustment taken to reserves (translation of foreign investments)
At 31 December

Group		Company	
12mths to 31 Dec 12	4mths to 31 Dec 11	12mths to 31 Dec 12	4mths to 31 Dec 11
£000	£000	£000	£000
23,224	22,371	22,009	21,559
4,753	864	5,195	450
(9,997)	-	(9,997)	-
139	(11)	-	-
18,119	23,224	17,207	22,009

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Opening equity shareholders' funds

Profit for the financial period
Dividends paid
Exchange adjustment taken to reserves (translation of foreign investments)
Net addition to shareholders' funds

Closing equity shareholders' funds

Group		Company	
12mths to 31 Dec 12	4mths to 31 Dec 11	12mths to 31 Dec 12	4mths to 31 Dec 11
£000	£000	£000	£000
23,574	22,721	22,359	21,909
4,753	864	5,195	450
(9,997)	-	(9,997)	-
139	(11)	-	-
(5,105)	853	(4,802)	450
18,469	23,574	17,557	22,359

TTT Moneycorp Limited

Notes to the financial statements (continued) for the year ended 31 December 2012

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	
	31 Dec 12	31 Dec 11
	£000	£000
Date of termination of leases/contracts		
Within one year	5,624	271
Between two and five years inclusive	1,463	8,150
After five years	491	232
	7,578	8,653

(b) Capital commitments

Capital commitments at 31 December 2012 for which no provision has been made in these financial statements were as follows:

	31 Dec 12	31 Dec 11
	£000	£000
Capital expenditure contracted for but not provided for at the balance sheet date	-	-

22 RELATED PARTY TRANSACTIONS

During the year, the following transactions were carried out with related parties:

Mr M Horgan entered into foreign exchange transactions totalling £0.369m, yielding commission income for the Group of less than £1k in the year, (2011: No transactions). There were no deals outstanding that were not yet due for settlement at the year end.

Mr P Lever entered into transactions totalling £26k during the current and prior period yielding commission income for the Group of less than £1k in either period. There were no deals outstanding that were not yet due for settlement at either the year end or 31 December 2011. Mr Lever is a Director of Datong PLC. During the year Datong PLC entered into foreign exchange transactions totalling £7.071m resulting in a gross profit for the Group of £6k (four months ended 31 December 2011: £6k). There were no deals outstanding that were not yet due for settlement at the year end (31 December 2011: £1.120m). Mr Lever is also Chairman of Bishop International Limited. During the year Bishop International Limited supplied services to the Group to the value of £9k (four months ended 31 December 2011: £8k). The balance outstanding at the year end was £nil (31 December 2011: £nil). All transactions were carried out at arm's length.

Ms L McMurray entered into foreign exchange transactions totalling £1.236m, yielding commission income for the Group of less than £1k in the year, (2011: No transactions). There were no deals outstanding that were not yet due for settlement at the year end.

The Group entered into transactions with Zodiac Seats Ltd (Formerly Contour Aerospace Ltd), a Company related by common control. Zodiac Seats Ltd executed foreign exchange transactions resulting in a gross profit of £3k in the year (four months ended 31 December 2011: £174k). There were deals outstanding that were not yet due for settlement at the year end totalling £6.349m (31 December 2011: £41.082m). All transactions were carried out at arm's length.

Although the Group did not enter into any transactions with Premium Aircraft Interiors Group, a Company related by common control during the year, during the previous four months ended 31 December 2011 it entered into foreign exchange transactions that yielded a gross profit of £3k. There were no deals outstanding that were not yet due for settlement at the year end (31 December 2011: none). All transactions were carried out at arm's length.

The Group entered into transactions with Royal Bank of Scotland plc which contributed £10.474m to revenue for the year (four months ended 31 December 2011: £2.9m). There were both buy and sell side deals outstanding that were not yet due for settlement at the year end totalling £83.5m and £83.0m respectively, resulting in a net balance of £0.5m (at 31 December 2011: buy side £232.3m, sell side £231.1m, net £1.2m). All transactions were carried out at arm's length.

During the year, the Company sold certain IT assets to Moneycorp Technologies Limited, a company related by common control, for consideration of £310k. The Group then entered into an agreement to lease the right to use these IT assets from Moneycorp Technologies Limited for which a fee of £310k was charged. At 31 December 2012 these amounts remained recorded as intercompany balances.

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 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).

*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 December 2012

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.

		31 Dec 12	31 Dec 11	
		£000	£000	
(a) Derivative financial instruments				
Forward foreign currency	Assets	1,160,847	1,429,672	
	Liabilities	<u>(1,157,296)</u>	<u>(1,425,628)</u>	
	Net assets	3,551	4,044	
(b) Non-derivative financial instruments				
Receivables - short term	Non-customer cash	12,124	20,405	
	Other receivables	<u>1,626</u>	<u>938</u>	
		13,750	21,343	
Trade and payables - short term	Customer balances	(63,834)	(43,651)	
	Other payables	<u>(638)</u>	<u>(1,240)</u>	
		(64,472)	(44,891)	
(c) Credit risk				
	0-3 months	3-6 months	>6 months	Total
	£000	£000	£000	£000
At 31 December 2012				
Other receivables	1,626	-	-	1,626
Forward foreign currency contracts	<u>673,910</u>	<u>193,299</u>	<u>293,638</u>	<u>1,160,847</u>
	<u>675,536</u>	<u>193,299</u>	<u>293,638</u>	<u>1,162,473</u>
	0-3 months	3-6 months	>6 months	Total
	£000	£000	£000	£000
At 31 December 2011				
Other receivables	938	-	-	938
Forward foreign currency contracts	<u>701,822</u>	<u>321,417</u>	<u>406,433</u>	<u>1,429,672</u>
	<u>702,760</u>	<u>321,417</u>	<u>406,433</u>	<u>1,430,610</u>

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 the 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

At 31 December 2012	0-3 months	3-6 months	6-12 months	1-2 years	Total
	£000	£000	£000	£000	£000
Financial assets	687,661	193,299	268,244	25,393	1,174,597
Financial liabilities	(735,254)	(193,179)	(267,927)	(25,408)	(1,221,768)
	(47,593)	120	317	(15)	(47,171)
At 31 December 2011					
	0-3 months	3-6 months	6-12 months	1-2 years	Total
	£000	£000	£000	£000	£000
Financial assets	767,535	301,823	359,520	22,137	1,451,015
Financial liabilities	(825,083)	(285,726)	(338,867)	(20,843)	(1,470,519)
	(57,548)	16,097	20,653	1,294	(19,504)

TTT Moneycorp Limited

**Notes to the financial statements (continued)
for the year ended 31 December 2012**

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 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.