

738837

# Annual report & financial statements

FOR THE YEAR ENDED 31 AUGUST 1999



**TTT MONEYCORP LIMITED**

# Annual report and financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## AUDITORS

PricewaterhouseCoopers  
1 Embankment Place  
London WC2N 6NN

Munslow Messias

143 - 149 Great Portland Street  
London W1N 5FB

## BANKERS

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

National Westminster Bank plc  
Mayfair Corporate Business Centre  
P.O. Box No. 2354  
65 Piccadilly  
London W1A 2PP

Barclays Bank plc  
Belgravia & Knightsbridge  
Business Centre  
P.O. Box No. 4578  
155 Brompton Road  
London SW3 1XD

## SOLICITORS

Marriott Harrison  
12 Great James Street  
London WC1N 3DR

## TRADING NAMES

TTT Foreign Exchange Corporation  
The Money Corporation  
TTT Coins & Medals

## REGISTERED OFFICE

Plumtree Court  
London EC4A 4HT

## COMPANY REGISTRATION

Number 738837

## DATE OF INCORPORATION

25th October 1962

## COMPANY SECRETARY

S J Mullens

## HEAD OFFICE

2 Sloane Street  
Knightsbridge  
London SW1X 9LA

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# Directors' report

FOR THE YEAR ENDED 31 AUGUST 1999

The directors present herewith their report together with the audited financial statements for the year ended 31 August 1999.

## PRINCIPAL ACTIVITIES

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

## REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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

## YEAR 2000

The company has considered the risks and uncertainties associated with the potential computer problems that may occur at the start of the new century - the "Year 2000" problem.

The company has reviewed all major hardware and software systems and taken action to ensure they will operate satisfactorily and no further costs are anticipated other than those within the normal IT budget.

## EURO

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

## RESULTS

The profit and loss account for the year is set out on pages 4 and 5.

## DIVIDENDS

Interim dividends totalling £788,000 (1998 £380,000) have been paid during the year. The directors do not propose a final dividend.

Further details are shown in note 8 to the financial statements.

## DIRECTORS

The directors listed below have served during the year:

B Shlewet

S J Mullens

D Knowlden (appointed 1st January 1999)

A B Trembeth

## Directors' report *continued*

FOR THE YEAR ENDED 31 AUGUST 1999

### CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the financial statements.

### DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

No directors held beneficial interests in the shares of the Company at 31 August 1999, or at any time during the year.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing those financial statements the directors are required to:

- *select suitable accounting policies and apply them consistently;*
- *make judgements and estimates that are reasonable and prudent;*
- *state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

A resolution to reappoint PricewaterhouseCoopers and Munslow Messias as joint auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

S J Mullens

Secretary

2 November 1999



## Auditors' report

### To the members of TTT Moneycorp Limited

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report, including as described on page 2 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

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

#### BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 1999 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICEWATERHOUSECOOPERS  
Chartered Accountants  
Registered Auditors  
London  
2 November 1999

MUNSLOW MESSIAS  
Chartered Certified Accountants  
Registered Auditors  
London  
2 November 1999

## Profit and loss account

FOR THE YEAR ENDED 31 AUGUST 1999

	Notes	1999 £	1998 £
TURNOVER	2	196,043,948	135,522,608
Cost of sales		(186,474,243)	(126,967,593)
GROSS PROFIT		9,569,705	8,555,015
Net operating expenses (excluding exceptional expense)		(7,988,264)	(7,288,450)
OPERATING PROFIT (before exceptional operating expense)		1,581,441	1,266,565
Exceptional operating expense	3	-	(140,807)
OPERATING PROFIT	3	1,581,441	1,125,758
Interest receivable and similar income		27,071	8,489
Interest payable and similar charges	6	(5,117)	(9,304)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,603,395	1,124,943
Taxation on profit on ordinary activities	7	(419,279)	(383,834)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		1,184,116	741,109
Dividends	8	(788,000)	(380,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		£396,116	£361,109

	1999 £	1998 £
STATEMENT OF RETAINED PROFITS		
Retained profits at 1 September 1998	3,041,980	2,680,871
Retained profit for the year	396,116	361,109
RETAINED PROFITS AT 31 AUGUST 1999	£3,438,096	£3,041,980

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

There were no recognised gains and losses except for the retained profit for the year.

# Profit and loss account *continued*

FOR THE YEAR ENDED 31 AUGUST 1999

	1999	1998
	£	£
<b>STATEMENT OF HISTORICAL COST PROFIT AND LOSS</b>		
Profit on ordinary activities before taxation	1,603,395	1,124,943
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	-	40,244
Historical cost profit on ordinary activities before taxation	£1,603,395	£1,165,187
Historical cost profit for the year retained after taxation and dividends	£396,116	£401,353

	1999	1998
	£	£
<b>RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS</b>		
Profit on ordinary activities after taxation	1,184,116	741,109
Ordinary dividends	(788,000)	(380,000)
Net additions to equity shareholders' funds	396,116	361,109
Equity shareholders' funds at 31st August 1998	3,391,980	3,030,871
Equity shareholders' funds at 31st August 1999	£3,788,096	£3,391,980

# Balance sheet

AS AT 31 AUGUST 1999

	Notes	1999 £	1999 £	1998 £	1998 £
<b>FIXED ASSETS</b>					
Tangible assets	9		<b>1,618,462</b>		1,904,666
<b>CURRENT ASSETS</b>					
Stocks	10	68,845		60,540	
Debtors	11	302,365		400,039	
Cash at bank and in hand		<b>3,687,858</b>		<b>2,899,688</b>	
		<b>4,059,068</b>		<b>3,360,267</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<b>(1,889,434)</b>		<b>(1,756,872)</b>	
<b>NET CURRENT ASSETS</b>					
			<b>2,169,634</b>		1,603,395
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<b>3,788,096</b>		3,508,061
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Amounts falling due after more than one year	13		-		(116,081)
			<b>£3,788,096</b>		<b>£3,391,980</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		350,000		350,000
Profit and loss account			<b>3,438,096</b>		<b>3,041,980</b>
<b>EQUITY SHAREHOLDERS' FUNDS</b>					
			<b>£3,788,096</b>		<b>£3,391,980</b>

Approved by the board on 2 November 1999 and signed on their behalf by:

DIRECTORS

B Shlewet



S J Mullens





## Cash flow statement

FOR THE YEAR ENDED 31 AUGUST 1999	1999 £	1999 £	1998 £	1998 £
<b>CASH INFLOW FROM OPERATIONS</b>				
Operating profit		1,581,441		1,125,758
Depreciation	489,489		483,968	
(Profit)/Loss on sale of fixed assets	(11,272)		95,386	
(Increase) in stocks	(8,305)		(4,699)	
Decrease/(Increase) in debtors	97,674		(45,608)	
Increase in creditors	247,078		111,308	
		814,664		640,355
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>2,396,105</b>		<b>1,766,113</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received	26,753		8,489	
Bank loan and overdraft interest paid	(6,282)		(6,162)	
Interest paid on finance leases	-		(3,184)	
<b>NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>20,471</b>		<b>(857)</b>
<b>TAXATION</b>				
UK corporation tax paid		(506,080)		(286,408)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>				
Tangible fixed assets acquired	(203,541)		(295,739)	
Tangible fixed assets sold	12,426		-	
		(191,115)		(295,739)
<b>NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING</b>		<b>1,719,381</b>		<b>1,183,109</b>
<b>EQUITY DIVIDENDS PAID</b>		<b>(788,000)</b>		<b>(427,000)</b>
<b>FINANCING</b>				
Capital element of finance leases		-		(44,907)
<b>INCREASE IN CASH BALANCES (SEE BELOW)</b>		<b>£931,381</b>		<b>£711,202</b>
Increase in cash balances		788,170		854,413
Decrease/(Increase) in bank overdrafts		143,211		(143,211)
		£931,381		£711,202

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 1 PRINCIPAL ACCOUNTING POLICIES

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

### a) BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain tangible fixed assets.

### b) TANGIBLE ASSETS

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

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

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

Leasehold properties are amortised over the period of the lease.

### c) STOCKS

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

### d) FOREIGN CURRENCIES

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction took place. Monetary assets and other liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in arriving at the operating profit.

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 1 PRINCIPAL ACCOUNTING POLICIES *continued*

### e) TURNOVER

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

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

### f) DEFERRED TAXATION

Deferred taxation is provided to take account of timing differences between the treatment of certain items for financial statements' purposes and their treatment for tax purposes. Provision is made to the extent that timing differences are expected to reverse using the tax rate that is expected to apply at the date of their reversal.

### g) FINANCE AND OPERATING LEASES

Costs in respect of operating leases are charged on a straight line basis in arriving at operating profit. Where assets are financed by leasing agreements which give substantially the same rights as ownership (finance leases) the assets are treated as if they had been purchased outright at the capital value of the assets, and the corresponding leasing commitments are shown as obligations to the lessor. The capital element of lease payments is applied to reduce the outstanding obligations and the interest is charged to the profit and loss account over the period of the lease.

### h) PENSION SCHEME

The Company operates a defined contribution pension scheme for certain of its employees. The cost to the Company is charged to the profit and loss account as incurred.

## 2 TURNOVER

Turnover consists of sales made in the United Kingdom.

## 3 OPERATING PROFIT

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

	1999	1998
	£	£
• Auditors' remuneration	25,068	23,951
• Amounts payable to auditors for non-audit services	38,241	17,175
• Operating lease rentals	808,402	709,109
• Depreciation of tangible fixed assets	489,489	483,968
• (Profit) on disposal of tangible fixed assets	(11,272)	-
• Exceptional operating expense (see (a) below)	-	140,807

- a) The exceptional operating expense (including loss on disposal of tangible fixed assets £95,386) relates to the final cost arising on a leasehold property where the Company's rights were the subject of litigation, which has now been settled.

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 4 DIRECTORS' EMOLUMENTS

	1999	1998
	£	£
Aggregate emoluments for management services and services as directors	230,937	200,156
For consultancy services	10,893	26,457
	<b>£241,830</b>	<b>£226,613</b>

Consultancy fees include £10,893 paid to Marriott Harrison solicitors, in which S J Mullens is a partner, for legal services.

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

	1999	1998
	£	£
Aggregate emoluments	183,592	178,406
Company contributions to a self administered pension scheme	55,600	55,600
	<b>£239,192</b>	<b>£234,006</b>

There were no contributions to pension schemes in respect of other directors.

## 5 EMPLOYEE INFORMATION

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

	1999	1998
a) Management and administration	26	25
Operations	126	120
	<b>152</b>	<b>145</b>

Employment costs - all employees including executive directors:-

	1999	1998
	£	£
b) Aggregate gross wages and salaries	2,906,851	2,652,475
Employer's national insurance contributions	290,425	260,949
Pension costs	71,327	66,045
	<b>£3,268,603</b>	<b>£2,979,469</b>

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

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 6 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable on sums wholly repayable within 5 years

	1999	1998
	£	£
By instalments	-	3,184
Not by instalments	5,117	6,120
	<u>£5,117</u>	<u>£9,304</u>

## 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
United Kingdom corporation tax based on the profit for the year at 31%	576,117	424,793
Group relief received	(40,757)	(41,212)
Deferred taxation	(116,081)	2,467
	<u>419,279</u>	<u>386,048</u>
Prior year adjustments:-		
United Kingdom corporation tax	-	(522)
Deferred taxation	-	(1,692)
	<u>£419,279</u>	<u>£383,834</u>

## 8 DIVIDENDS

	1999	1998
	£	£
Ordinary dividends paid	<u>£788,000</u>	<u>£380,000</u>

Total:- 225.14 pence per share (1998: 108.57 pence per share)

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 9 TANGIBLE ASSETS

	Short leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer systems £	Total £
<b>COST</b>					
At 1 September 1998	1,994,145	172,097	2,619,739	393,711	5,179,692
Expenditure	24,275	81,076	35,732	63,356	204,439
Disposals	(353,877)	(26,981)	(45,960)	(101,185)	(528,003)
At 31 August 1999	1,664,543	226,192	2,609,511	355,882	4,856,128
<b>DEPRECIATION</b>					
At 1 September 1998	1,324,911	99,315	1,548,038	302,762	3,275,026
Charge for year	131,930	43,043	268,573	45,943	489,489
Disposals	(353,877)	(25,827)	(45,960)	(101,185)	(526,849)
At 31 August 1999	1,102,964	116,531	1,770,651	247,520	3,237,666
<b>NET BOOK VALUE</b>					
At 31 August 1999	£561,579	£109,661	£838,860	£108,362	£1,618,462
At 31 August 1998	£669,234	£72,782	£1,071,701	£90,949	£1,904,666

The historical cost and related depreciation of short leasehold property are set out below:-

	1999 £	1998 £
Historical cost	1,664,543	1,844,145
Depreciation based on cost	(1,102,964)	(1,174,911)
Net book value	£561,579	£669,234

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

10 STOCKS	1999	1998
	£	£
Stocks of maps, phonecards, souvenir and gold coins etc.	<u>£68,845</u>	<u>£60,540</u>
11 DEBTORS	1999	1998
	£	£
Trade debtors	82,512	185,510
Other debtors	42,121	33,022
Prepayments and accrued income	177,732	181,507
	<u>£302,365</u>	<u>£400,039</u>

All the above amounts are due within one year of the balance sheet date with the exception of a rent deposit of £15,000 which is held on trust for the due performance by the Company of a certain property lease obligation. The deposit bears interest for the benefit of the Company and is repayable on termination of the relevant lease. Trade debtors relate substantially to amounts owed from credit card companies.

# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Bank overdrafts	-	143,211
Trade creditors	643,377	458,146
Taxation and social security costs (see (a) below)	542,444	490,192
Accruals and deferred income	703,613	665,323
	<u>£1,889,434</u>	<u>£1,756,872</u>

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

	1999	1998
	£	£
a) United Kingdom corporation tax payable	412,860	383,581
PAYE and social security	129,584	106,611
	<u>£542,444</u>	<u>£490,192</u>



# Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

## 13 PROVISION FOR LIABILITIES AND CHARGES

### a) Deferred taxation - analysis of provision and potential liability:-

	1999	1999	1998	1998
	Full potential	Provision	Full potential	Provision
	liability	made	liability	made
	£	£	£	£
Accelerated capital allowances	<u>£89,511</u>	<u>-</u>	<u>£116,081</u>	<u>£116,081</u>

### b) Movements on the provision for deferred taxation are as follows:-

	£
At 1 September 1998	116,081
Transferred to profit and loss account	(116,081)
At 31 August 1999	<u>-</u>

## 14 CALLED UP SHARE CAPITAL

Ordinary shares of £1 each

		1999	1998
Authorised	- value	<u>£1,000,000</u>	<u>£1,000,000</u>
	- number	<u>1,000,000</u>	<u>1,000,000</u>
Alotted, called up and fully paid	- value	<u>£350,000</u>	<u>£350,000</u>
	- number	<u>350,000</u>	<u>350,000</u>

## Notes to the financial statements

FOR THE YEAR ENDED 31 AUGUST 1999

### 15 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

#### a) CONTRACTUAL COMMITMENTS

The Company leases certain premises on short term leases/contracts. The rents payable in the next year under these leases, which are subject to renegotiation at various intervals specified in the leases and in respect of which the Company pays all insurance, maintenance and repairs are as follows:-

	1999	1998
	£	£
Date of termination of leases/contracts:		
Within one year	-	51,000
Within two to five years inclusive	196,000	196,000
After five years	590,350	446,000
	<u>£786,350</u>	<u>£693,000</u>

#### b) CAPITAL COMMITMENTS

Capital commitments at 31 August 1999 for which no provision has been made in these financial statements were as follows:-

	1999	1998
	£	£
Capital expenditure authorised but not contracted	<u>£75,000</u>	<u>£125,000</u>

### 16 ULTIMATE HOLDING COMPANY

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