TTT MONEYCORP LIMITED

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2010

COMPANY REGISTRATION NUMBER
00738837

AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hay's Galleria
1 Hay's Lane
London SE1 2RD

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
Business Banking
Level 11
1 Churchill Place
London E14 5HP

SOLICITORS

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

TTT Moneycorp Limited has been certified to ISO 9000 Quality Assurance since 1996

Moneycorp is a trading name of TTT Moneycorp Limited Registered in England No 738837 Incorporated 1962

TRADING NAMES

Moneycorp
TTT Foreign Exchange Corporation
The Money Corporation
Moneycorp Markets
*CASH*DIRECT
minimoney

REGISTERED OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

HEAD OFFICE

2 Sloane Street
Knightsbridge
London SW1X 9LA

COMPANY REGISTRATION NUMBER

00738837

DATE OF INCORPORATION

25 October 1962

DIRECTORS

B Shlewet
R W Birchall (appointed 15 March 2010)
K N Hatton (resigned 31 March 2010)
N Medici
D Postings (appointed 14 May 2010)
J Bryce (appointed 26 October 2010 subject to FSA approval)
J C W Kent
I McGillivray (resigned 26 October 2010)
P Lever
M P Weinberg (resigned 11 November 2010)

COMPANY SECRETARY

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

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COMPANY REGISTRATION NUMBER
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Directors' report
FOR THE YEAR ENDED 31 AUGUST 2010

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 2010

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)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The trading environment during 2009/10 was very difficult The effects of the recession continued to be felt and UK consumers and businesses continued to exercise caution with regard to investment and expenditure The business delivered a resilient trading performance Pre-tax profit was £6 9m (2009 £7 3m) Underlying this was a 2% (2009 8 8%) increase in gross profit to £60 8m (2009 £59 7m) Administrative expenses increased 2% (2009 10%), in part representing investment in new products, services and infrastructure to support continued growth Expenditure was actively managed during the year, as economic conditions worsened, and the impact of changes is only partially reflected due to the timing of implementation

Our London bureaux de change had a strong year, continuing to benefit from a large number of overseas visitors taking advantage of the weakness of sterling and more attractive and affordable prices generally from hoteliers retailers and tourist venues We have also benefited from numerous partnerships and alliances with organisations that are similarly reliant upon inbound foreign tourists to London, including casinos, hotels and inbound tourist specialists

Our airport operations experienced lower demand, reflecting falling numbers of outbound passengers and downward pressure on customer spend arising from the recession, changing passenger mix and profile, as well as other factors such as the volcanic ash cloud incident in April 2010 and a rise in all inclusive holidaymakers Despite this, through careful cost management and growth in our ATM activities, the airport business made a solid contribution to our results

Our Wholesale Division experienced lower demand from its traditional client base, reflecting the reduction in overseas travel from the UK Lower demand was also seen from international markets, reflecting the global nature of the economic slowdown

Our Commercial Foreign Exchange Division continued to show good growth during the year, despite challenges within both the corporate and private sectors Corporate client growth was achieved through continued investment in staff further development of our online dealing and payments platform and the introduction of new regulated products (including currency options) Our private client business maintained good levels of trading despite there being no significant upturn in the overseas property and emigration sectors This was achieved through a number of new marketing initiatives and an increase in business from established Moneycorp customers who continued to return to us for their ongoing foreign exchange needs Moneycorp has a very large private client database and a large number of loyal business partners who continue to refer clients to us This has contributed to the resilience of the business during the economic crisis and positions us very well for growth over the next few years

With effect from 1 November 2009, TTT Moneycorp Limited was approved by the FSA as an Authorised Payments Institution under the Payment Services Regulations (PSR), which came into effect on that date In February 2010 the FSA approved an extension of the Company's permissions to allow the operation of payment accounts The Company has also received approval to operate these payment services across all relevant European jurisdictions

David Postings joined the Company in May 2010 as Chief Executive He has over 30 years of experience in retail and commercial financial services, change management and IT He undertook a wide variety of roles with Barclays Bank over 26 years, including Managing Director of Barclays Sales Financing and Managing Director of Enable (the Group's IT and operations shared service business) David spent three years as Managing Director of Lloyds TSB Commercial (formerly Business Banking) before joining Cattles PLC as its Chief Executive

COMPANY REGISTRATION NUMBER
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We undertook a strategic review of our leveraged, multi-product trading service, which operates through Moneycorp Markets Limited, a wholly owned subsidiary This review was completed in March 2010 and we took the decision to wind down this business, it did not develop as planned and we decided not to continue to commit significant time and resources to this operation – particularly at a time when we have more lucrative opportunities across the Group The business closure took place in July 2010

The Company is in the process of refreshing its strategy and committing further investment into new products and services, to take advantage of the opportunities afforded by the current economic and trading environment

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 staffing levels or inadequately skilled or managed people Operational risk exposures are identified managed and controlled by management Internal controls include the organisational *structure 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 Australia 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 Materially all foreign exchange positions are hedged

Liquidity risk

The settlement of spot and forward contracts and other short-term working capital requirements needs adequate liquidity, which is generated through intra-day settlement facilities These facilities are provided through financial institutions with which the Group has had 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 counterparties or 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 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 and other regulators, anti-money laundering regulations and other regulatory requirements throughout its business operations

RESULTS

The consolidated profit and loss account for the year is set out on page 10

Directors' report (continued)
FOR THE YEAR ENDED 31 AUGUST 2010

DIVIDENDS

The Directors have approved and paid an interim and final dividend of £10 57 per share, totalling £3,700k (2009 £10 14 per share, totalling £3,550k) Further details are shown in note 9 to the financial statements

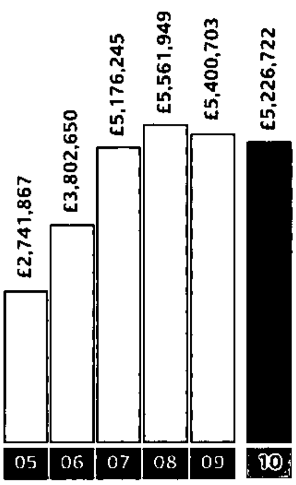
DIRECTORS

The Directors listed below have served the Company during the year and up to the date of this report
B Shlewet
R W Birchall (appointed 15 March 2010)
K N Hatton (resigned 31 March 2010)
N Medici
D Postings (appointed 14 May 2010)
J Bryce (appointed 26 October 2010 subject to FSA approval)
J C W Kent
I McGillivray (resigned 26 October 2010)
P Lever
M P Weinberg (resigned 11 November 2010)

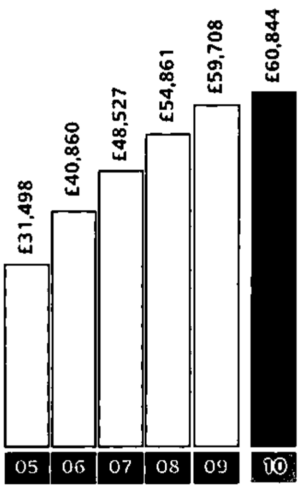
KEY PERFORMANCE INDICATORS

The key performance indicators used by the Directors to assess the performance of the Group against their stated objectives are as follows

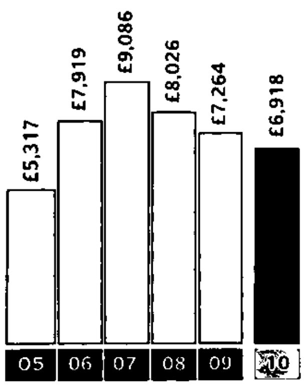
Figures are in thousands (000s)



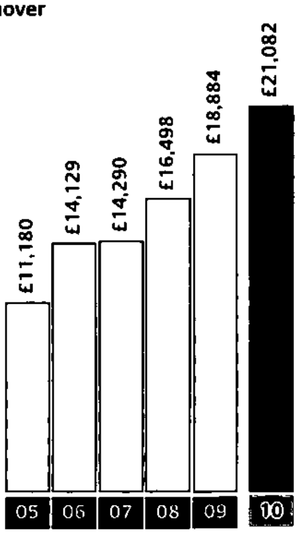
Turnover



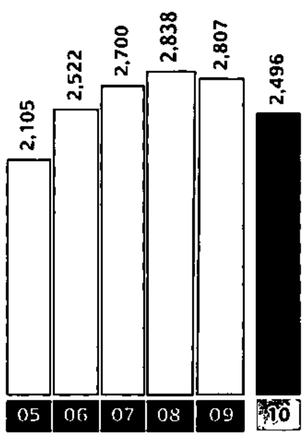
Gross profit



Net profit
(before tax)



Balance sheet
(net assets)



Customer transactions

COMPANY REGISTRATION NUMBER
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Directors' report (continued)
FOR THE YEAR ENDED 31 AUGUST 2010

CHARITIES AND DONATIONS

During the year the Group made donations in the UK for charitable purposes amounting to £6k (2009 £4k). £5k (2009 £3k) was paid to national charities with the balance of £1k (2009 £1k) paid to local charities No single donation was greater than £2k nor were any donations made for political purposes (2009 £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 Combined Code 2008, the Directors intend so far as possible and to the extent appropriate given the 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 Non-Executive Directors James Bryce and John Kent, with formally delegated responsibilities Bassam Shlewet was appointed to the Audit Committee on 14 May 2010 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 and internal control systems

A Remuneration Committee consisting of the Chairman, Bassam Shlewet and Non-Executive Directors, James Bryce John Kent and Paul Lever meets to consider and approve any major change in the structure of remuneration packages of senior employees and their objectives together with performance against these and the awarding of any related bonuses

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. 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 formally reviews anti-money laundering activity and trends every month

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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, each of the Directors in office at the date of approval of this report has confirmed 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 (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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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 Group and 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 to prevent and detect fraud or 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 held on 16 December 2010

ON BEHALF OF THE BOARD

D POSTINGS
Director
20 December 2010

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 for the year ended 31 August 2010 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds, 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 Statement of Directors' Responsibilities set out on page 8, 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 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 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 the 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 2010 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 on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 December 2010

COMPANY REGISTRATION NUMBER
00738837

Consolidated profit and loss account
FOR THE YEAR ENDED 31 AUGUST 2010

	Notes		2010 £000		2009 £000
TURNOVER – gross value of currencies and other sales	2		**5,226,722**		5,400,703
Cost of sales – gross value of currencies and other purchases			**(5,165,878)**		(5,340,995)
GROSS PROFIT					
Continuing operations		**60,559**		58,705	
Discontinued operations		**285**		1,003	
			60,844		59,708
Administrative expenses			**(54,199)**		(53,121)
OPERATING PROFIT	3				
Continuing operations		**6,940**		7,353	
Discontinued operations		**(295)**		(766)	
			6,645		6,587
Interest receivable and similar income	6		**358**		726
Interest payable and similar charges	7		**(85)**		(49)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**6,918**		7,264
Taxation on profit on ordinary activities	8		**(1,005)**		(1,315)
PROFIT FOR THE FINANCIAL YEAR	19		**5,913**		5,949

During the year the business carried out in Moneycorp Markets Limited ceased All other operations were continuing

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

The notes on pages 14 to 26 form part of the financial statements

Consolidated statement of total recognised gains and losses
for the year ended 31 August 2010

	2010 £000	2009 £000
PROFIT FOR THE FINANCIAL YEAR	**5,913**	5,949
Exchange adjustment taken to reserves (translation of foreign investments)	**(15)**	(13)
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR	**5,898**	5,936

COMPANY REGISTRATION NUMBER
00738837

Consolidated balance sheet
AT 31 AUGUST 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
FIXED ASSETS					
Tangible assets	10		**3,281**		4,051
CURRENT ASSETS					
Stocks (non-cash)	13	**137**		293	
Debtors	14	**176,725**		133,807	
Cash at bank and in hand	15	**68,971**		59,930	
		245,833		194,030	
CREDITORS					
Amounts falling due within one year	16	**(227,994)**		(179,142)	
NET CURRENT ASSETS			**17,839**		14,888
TOTAL ASSETS LESS CURRENT LIABILITIES			**21,120**		18,939
CREDITORS					
Amounts falling due after more than one year	17		**(38)**		(55)
NET ASSETS			**21,082**		18,884
CAPITAL AND RESERVES					
Called up share capital	18		**350**		350
Profit and loss account	19		**20,732**		18,534
SHAREHOLDERS' FUNDS	20		**21,082**		18,884

Approved by the Board on 16 December 2010 and signed on its behalf by

DIRECTORS

D Postings

R W Birchall

COMPANY REGISTRATION NUMBER
00738837

Company balance sheet

AT 31 AUGUST 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
FIXED ASSETS					
Tangible assets	11		**3,228**		3,913
Investments	12		**339**		1,294
			3,567		5,207
CURRENT ASSETS					
Stocks (non-cash)	13	**137**		293	
Debtors	14	**177,207**		132,589	
Cash at bank and in hand	15	**68,069**		54,460	
		245,413		187,342	
CREDITORS					
Amounts falling due within one year	16	**(228,163)**		(173,134)	
NET CURRENT ASSETS			**17,250**		14,208
TOTAL ASSETS LESS CURRENT LIABILITIES			**20,817**		19,415
CREDITORS					
Amounts falling due after one year	17		**(38)**		(55)
NET ASSETS			**20,779**		19,360
CAPITAL AND RESERVES					
Called up share capital	18		**350**		350
Profit and loss account	19		**20,429**		19,010
SHAREHOLDERS' FUNDS	20		**20,779**		19,360

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 2010 for the Company was £5,119k (2009 £4,265k)

The notes on pages 14 to 26 form part of the financial statements

Approved by the Board on 16 December 2010 and signed on its behalf by

DIRECTORS

D Postings

R W Birchall

COMPANY REGISTRATION NUMBER
00738837

Consolidated cash flow statement
FOR THE YEAR ENDED 31 AUGUST 2010

	2010 £000	2010 £000	2009 £000	2009 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES		**12,906**		13,720
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	**316**		726	
Interest paid	**(85)**		(49)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		**231**		677
TAXATION				
Corporation tax paid		**(24)**		(1,514)
CAPITAL EXPENDITURE				
Tangible fixed assets acquired	**(397)**		(848)	
Proceeds on disposal of tangible fixed assets	**25**		4	
		(372)		(844)
NET CASH INFLOW BEFORE DIVIDENDS AND FINANCING ACTIVITIES		**12,741**		12,039
EQUITY DIVIDENDS PAID		**(3,700)**		(3,550)
INCREASE/(DECREASE) IN CASH BALANCES (see below)		**9,041**		8,489
Opening cash balances		**59,930**		51,441
Closing cash balances		**68,971**		59,930
INCREASE/(DECREASE) IN CASH BALANCES		**9,041**		8,489

NOTE TO THE CASH FLOW
RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATIONS

	2010 £000	2010 £000	2009 £000	2009 £000
Operating profit		**6,645**		6,587
Depreciation	**1,136**		1,139	
Loss/(gain) on sale of fixed assets	**4**		7	
(Increase)/decrease in stocks (non cash)	**156**		(118)	
(Increase)/decrease in debtors	**(42,918)**		11,719	
Increase/(decrease) in creditors	**47,883**		(5,614)	
		6,261		7,133
NET CASH INFLOW FROM OPERATING ACTIVITIES		**12,906**		13,720

COMPANY REGISTRATION NUMBER
00738837

Notes to the financial statements
FOR THE YEAR ENDED 31 AUGUST 2010

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 the accounting policies of the Group, which have been applied consistently, is set out below

(a) BASIS OF PREPARATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings prepared to 31 August 2010 The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own 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 2010 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 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 amortised 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 – not cash

Stocks include maps, phonecards, gold coins and mobile top up vouchers which are stated at the lower of cost and net realisable value Cash held for trading is included as part of cash at bank and in hand Stocks of foreign exchange 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

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) TURNOVER AND COST OF SALES

Turnover, which excludes value added tax, represents the gross value of currencies traded The key components of the Group's revenue are described below

Retail turnover comprises the value of currencies traded as a result of the Group's operations 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 Revenue is recognised at trade date

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

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

For online trading turnover comprises commissions earned on online trading services, which are recognised at trade date

Agency commissions and fees received on other items are recognised at trade date

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

(i) 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

(j) OPERATING LEASES

Costs in respect of operating leases are charged on a straight-line basis in arriving at operating profit

(k) PENSION SCHEME

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

(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 initially recognised at fair value

2 SEGMENTAL REPORTING

Turnover by geography and business segment has not been disclosed, as in the opinion of the Directors, such information would be seriously prejudicial to the interests of the Group

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3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)	Group 2010 £000	Group 2009 £000
Fees payable to auditor of the Company and consolidated accounts		
Fees payable for the audit of the Company and consolidated accounts	**72**	60
The audit of the Company's subsidiaries pursuant to legislation	**18**	3
Other services relating to taxation	**38**	10
All other services	**145**	-
Operating lease rentals – properties	**17,449**	16,249
Depreciation of tangible fixed assets (note 10)	**1,136**	1,139
Loss/(gain) on disposal of tangible fixed assets	**5**	7

4 DIRECTORS' EMOLUMENTS

	Group 2010 £000	Group 2009 £000
Aggregate emoluments (including benefits) for management services and services as Directors	**882**	761
Compensation for loss of office	**266**	-
Pension contributions	**61**	52
	1,209	813

Four Directors received pension contributions under money purchase schemes (2009 Four)

Amounts paid in respect of the highest paid Director are as follows		
Aggregate emoluments (including benefits)	**377**	239
Company contributions to a self-administered pension scheme	**5**	34
	382	273

There are no outstanding pension contributions at 31 August 2010 (2009 £nil)

5 EMPLOYEE INFORMATION

	Group 2010 number	Group 2009 number
a) The average number of persons employed by the Group, including Executive Directors, during the year is analysed below		
Management and administration	**93**	91
Operations	**475**	494
	568	585

	Group 2010 £000	Group 2009 £000
b) Employment costs – all employees including Directors		
Aggregate gross wages and salaries	**20,541**	20,481
Social security costs	**2,162**	2,229
Pension costs	**196**	189
	22,899	22,899

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6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Group 2010 £000	Group 2009 £000
Interest receivable and similar income consists of		
Bank interest	358	726

7 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges consists of	Group 2010 £000	Group 2009 £000
Bank interest	31	29
Other interest payable	54	20
	85	49

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) ANALYSIS OF CHARGE FOR THE YEAR

	Group 2010 £000	Group 2009 £000
Current tax		
UK corporation tax for the year at 28% (2009 28%)	647	822
Adjustments in respect of previous periods	228	503
Overseas tax	147	9
Total current tax (Note 8(b))	1,022	1 334
Deferred tax		
Origination and reversal of timing differences	(17)	(19)
Tax on profit on ordinary activities	1,005	1,315

b) FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	Group 2010 £000	Group 2009 £000
Profit on ordinary activities before tax	6,918	7,264
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	1,937	2,034
Effects of		
Expenses not deductible for tax purposes	54	452
Accelerated capital allowances	(17)	21
Adjustments to tax charge in respect of previous periods	228	165
Overseas tax rate differential	9	(270)
Group relief received	(1,189)	(1,068)
Current tax charge for year (note 8(a))	1,022	1,334

9 DIVIDENDS

	Group 2010 £000	Group 2009 £000
Final paid £10 57 (2009 £10 14) per share	**3,700**	3 550
	3,700	3 550

Dividends were paid in full during the respective accounting periods

10 TANGIBLE ASSETS – GROUP

	Leasehold improvements £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST					
At 1 September 2009	1,646	384	8,083	2,685	12,798
Additions	-	15	235	147	397
Disposals	(3)	(55)	(103)	(19)	(180)
At 31 August 2010	**1,643**	**344**	**8,215**	**2,813**	**13,015**
ACCUMULATED DEPRECIATION					
At 1 September 2009	1,338	280	5,196	1,933	8,747
Charge for the year	34	57	690	355	1,136
Disposals	(1)	(55)	(79)	(14)	(149)
At 31 August 2010	**1,371**	**282**	**5,807**	**2,274**	**9,734**
NET BOOK AMOUNT					
At 31 August 2010	**272**	**62**	**2,408**	**539**	**3,281**
At 31 August 2009	308	104	2,887	752	4,051

11 TANGIBLE ASSETS - COMPANY

	Leasehold improvements £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST					
At 1 September 2009	1,593	313	8,050	2,659	12,615
Additions	-	15	237	194	446
Disposals	(3)	(55)	(98)	(2)	(158)
At 31 August 2010	**1,590**	**273**	**8,189**	**2,851**	**12,903**
ACCUMULATED DEPRECIATION					
At 1 September 2009	1,337	260	5,187	1,918	8,702
Charge for the year	34	48	679	345	1 106
Disposals	(1)	(55)	(76)	(1)	(133)
At 31 August 2010	**1,370**	**253**	**5,790**	**2,262**	**9,675**
NET BOOK AMOUNT					
At 31 August 2010	**220**	**20**	**2,399**	**589**	**3,228**
At 31 August 2009	256	53	2,863	741	3,913

12 INVESTMENTS - COMPANY

	2010 £000
COST	
At 1 September 2009	2,437
Additions in the year	-
Disposals	-
At 31 August 2010	**2,437**
IMPAIRMENTS	
At 1 September 2009	(1,143)
Provisions for impairments	(955)
At 31 August 2010	**(2,098)**
NET BOOK AMOUNT	
At 31 August 2010	**339**
At 31 August 2009	1,294

Following the closure of Moneycorp Markets Limited, the Directors have performed an impairment review which resulted in a writedown in investments of £955k (2008 £1,143k)

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

All of the above subsidiaries are included in the consolidated financial statements

13 STOCKS (non-cash)

	Group and Company	
	2010	2009
	£000	£000
Stocks of maps, phonecards, gold coins, mobile top-up vouchers	**137**	293

14 DEBTORS

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Trade debtors	**174,774**	129,688	**174,657**	129,200
Less provision for bad and doubtful debts	**(114)**	(138)	**(114)**	(138)
Net trade debtors	**174,660**	129,550	**174,543**	129,062
Amounts owed by Parent undertakings	**311**	576	**311**	576
Amounts owed by Group undertakings	**-**	-	**61**	-
Other debtors	**318**	1,620	**877**	1,411
Corporation tax recoverable	**-**	548	**-**	52
Prepayments and accrued income	**1,436**	1 513	**1,415**	1,488
	176,725	133,807	**177,207**	132 589

Amounts owed between Group undertakings other than above are unsecured, interest free and repayable on demand

Movement on the provision for trade debtors is as follows

	Group	
	2010	2009
	£000	£000
At 1 September 2009	**138**	239
Provision (utilised)/created for bad and doubtful debts	**(24)**	(101)
At 31 August 2010	**114**	138

15 CASH AT BANK AND IN HAND – GROUP

At 31 August 2010, cash balances with banks included £43 577k (2009 £38,739k) held in respect of customer balances

The corresponding liability is included within trade creditors (Note 16)

16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank overdrafts	**-**		**23**	-
Trade creditors	**222,181**	170,821	**221,874**	164,847
Purchase ledger	**-**	3,163	**-**	3,163
Amounts owed to Parent undertakings	**256**	443	**256**	443
Amounts owed to Group undertakings	**-**	-	**819**	336
PAYE and social security costs	**611**	740	**578**	694
Corporation tax payable	**533**	-	**472**	-
Accruals and deferred income	**4,413**	3,975	**4,141**	3,651
	227,994	179,142	**228,163**	173 134

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

17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Company	
Deferred tax liability	**2010**	2009
	£000	£000
At 1 September2009	**(55)**	(36)
(Charged)/Credited to the profit and loss account	**17**	(19)
At 31 August 2010	**(38)**	(55)

The deferred tax balance is the accumulated excess of capital allowances over corresponding depreciation of £38k (2009 £55k)

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18 CALLED UP SHARE CAPITAL

	Group	
	Ordinary shares of £1 each	
	2010	2009
Authorised – value	**£1,000,000**	£1,000,000
Authorised – number	**1,000,000**	1,000 000
Allotted, called up and fully paid – value	**£350,000**	£350 000
Allotted, called up and fully paid – number	**350,000**	350,000

19 PROFIT AND LOSS ACCOUNT

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
At 1 September 2009	**18,534**	16,148	**19,010**	18,308
Profit for the year	**5,913**	5,949	**5,119**	4,265
Dividends	**(3,700)**	(3,550)	**(3,700)**	(3,550)
Exchange differences offset in reserves per statement of recognised gains and losses	**(15)**	(13)	**-**	(13)
At 31 August 2010	**20,732**	18,534	**20,429**	19,010

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Profit for the financial year	**5,913**	5,949	**5,119**	4,265
Dividends paid	**(3,700)**	(3,550)	**(3,700)**	(3,550)
Exchange differences offset in reserves per statement of recognised gains and losses	**(15)**	(13)	**-**	(13)
Net addition to shareholders' funds	**2,198**	2,386	**1,419**	702
Opening shareholders' funds	**18,884**	16,498	**19,360**	18,658
Closing shareholders' funds	**21,082**	18,884	**20,779**	19 360

21 FINANCIAL COMMITMENTS

a) CONTRACTUAL ANNUAL COMMITMENTS

The Group leases certain premises 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	
	2010	2009
Date of termination of leases/contracts – land and buildings	**£000**	£000
Within one year	**150**	85
Within two to five years inclusive	**7,225**	7,034
After five years	**1,036**	1,304
	8,411	8,423

b) CAPITAL COMMITMENTS

Capital commitments at 31 August 2010 for which no provision has been made in these financial statements were as follows

	Group and Company	
	2010	2009
	£000	£000
Capital expenditure contracted for but not provided for in the financial statements at the balance sheet date	**18**	**154**

22 RELATED PARTIES

The Directors of the Company listed below entered into transactions at arm's length with Moneycorp Markets Limited a subsidiary of TTT Moneycorp Limited, during the year yielding commission income as follows

Mr B Shlewet entered into transactions yielding commission income of £1k (2009 £4k)
Mr K Hatton entered into transactions yielding commission income of £2k (2009 £2k)
Mr M Weinberg entered into transactions yielding commission income of £nil (2009 £1k)
Mr N Medici entered into transactions yielding commission income of £nil (2009 £1k)

Mr I McGillivray entered into transactions with TTT Moneycorp Limited outstanding at year end totalling £45k (2009 £65k) that were yet to come to value

Mr P Lever is also a Director of Datong Electronics PLC During the year, Datong entered into foreign exchange transactions resulting in a gross profit for TTT Moneycorp Limited of £9k (2009 £6k) There were deals outstanding at year end totalling £679k (2009 £183k), that were yet to come to value All transactions were carried out on an arm's length basis Mr P Lever is Chairman of Bishop Group Limited During the year, Bishop Group supplied services to the Group to the value of £8k (2009 £6k) The balance outstanding at the year end was £nil (2009 £nil) All transactions were carried out at arm's length

The Group enters into a large number of transactions with Royal Bank of Scotland plc throughout the year, but the details of these are not readily extractible from the Group s existing systems All trades are made on an arm's length basis and the value outstanding at 31 August 2010 was £56m (31 August 2009 £76m)

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23 PARENT AND ULTIMATE HOLDING COMPANY

The ultimate holding company is Regent Acquisitions (Holdings) Limited (100% effective holding) a company incorporated and registered in Jersey Channel Islands The ultimate controllers of this company are Omayad Settlement (Shlewet Family Trust) 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) and senior management of TTT Moneycorp Limited

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

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 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

		2010	
		£000	
	Assets	**Liabilities**	**Net assets**
Forward foreign currency	**174,660**	**175,517**	**(857)**

		2009	
		£000	
	Assets	Liabilities	Net assets
Forward foreign currency	129 550	132,082	(2 532)

(b) NON-DERIVATIVE FINANCIAL INSTRUMENTS		**2010**	2009
		£000	£000
Receivables – short term	Non-customer cash	**25,394**	21,191
	Other receivables	**2,573**	4,257
		27,967	25,448
Trade and payables – short term	Customer balances	**43,577**	38,739
	Other payables	**8,643**	8 321
		52,220	47,060

(c) CREDIT RISK

	0-3 months	**3-6 months**	**>6 months**	**Total 2010**
	£000	**£000**	**£000**	**£000**
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**

(c) CREDIT RISK (Continued)

	0-3 months £000	3-6 months £000	>6 months £000	Total 2009 £000
Other receivables	404	-	-	404
Forward foreign currency contracts	89 303	29,211	10,632	129 146
	89,707	29,211	10,632	129,550

The other receivables balance of £1,477k (2009 £404k) 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

Information in relation to balances past due date but not impaired is not at present readily available, however the Group adopts a prudent approach to receivable balances

Management has reviewed the financial assets of the Group at year end and is 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 £000	**3-6 months £000**	**6-12 months £000**	**1-2 years £000**	**Total 2010 £000**
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)**

	0-3 months £000	3-6 months £000	6-12 months £000	1-2 years £000	Total 2009 £000
Financial assets	115,155	29,211	10,419	213	154,998
Financial liabilities	139 214	29,340	10,430	158	179,142
	(24,059)	(129)	(11)	55	(24,144)

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 financial assets and liabilities as 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 has 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 considers 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, all trading operations of Moneycorp Markets Limited, a wholly owned subsidiary of the Group, were discontinued As at the balance sheet date, £264k of net assets relating to Moneycorp Markets Limited remained within the Group of which £21k related to client balances No trading positions were open at the balance sheet date