Company Registration No. 03517451

HiFX EUROPE LIMITED

(formerly HiFX Plc)

Report and Financial Statements

For the year ended 30 June 2014

HiFX EUROPE LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

CONTENTS

HiFX EUROPE LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

Directors

S Bown
M Gonzalez
M Knowles
A Sparks

Secretary

S Bown

Registered Office

Morgan House
Madeira Walk
Windsor
Berkshire
SL4 1EP

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, United Kingdom

STRATEGIC REPORT

For the year ended 30 June 2014

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The company is a provider of foreign currency exchange and international payment services to private and corporate clients. The Board is pleased to report another year of good growth in profits. Operating profit from continuing operations increased from £5.1 million to £6.0 million in the financial year.

On 20 May 2014 the company's parent was acquired by Euronet Worldwide, Inc. ("Euronet") and the company disposed of its subsidiary undertakings in New Zealand and Australia to other entities within the Euronet group for a profit on disposal of £43.2 million.

Key performance indicators

The key performance indicators used by the Board were as follows:

	2014 £,000	2013 £'000	Change
Gross profit	27,982	24,347	15%
Operating profit	6,047	5,060	19%
Operating profit per employee	38	32	19%
Number of client foreign exchange trades	357,000	311,000	15%

Principal risks and uncertainties

Operational risk
This is the risk of a direct or indirect loss resulting from the inadequacies or failures in projects, processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the company maintains a system of comprehensive policies and a control framework which are designed to provide a sound and well-controlled operational environment. Key information regarding governance and the management of risk are reported to the Board. This enables management to monitor operational risk at appropriate levels.

Foreign currency risk
This is the risk of losses being incurred through inadequate or incorrect foreign currency exchange hedging. The company has a treasury risk management function and a treasury policy to manage this risk. The policy limits the aggregate exposure the treasury function can run in any currency and stipulates a daily loss limit above which positions must be closed.

The company's principal traded currency pair is GBP/EUR. Replacement of sterling by the euro as the domestic currency of the UK would have a significant impact on the earnings of the company. The directors consider a likelihood of such a change in the short to medium term to be remote.

Credit risk
This is the risk of losses being incurred through a client or other third party being unable to meet their obligations to the company. The company has robust policies in place to review substantial credit exposures prior to entering into a transaction with a client and to monitor open exposures.

Liquidity risk
This is the risk of insufficient liquid funds being available to meet the company's working capital requirements. HiFX Europe Limited monitors its liquidity levels and has mitigating controls in place to reduce risk of a liquidity event.

HiFX EUROPE LIMITED

STRATEGIC REPORT

For the year ended 30 June 2014

Future developments

The Board looks to build further on the progress achieved by the company and will look to increase its client base and product offering in the year ahead.

M Knowles
Director
3 September 2014

Morgan House
Madeira Walk
Windsor
Berkshire
SL4 1EP

DIRECTORS' REPORT

For the year ended 30 June 2014

The directors present their annual report and financial statements of HiFX Europe Limited for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a dedicated provider of foreign exchange payment services to private clients and corporations. HiFX Europe Limited is authorised by the Financial Conduct Authority under the Payment Services Regulations 2009 for the provision of payment services. The company operates in the United Kingdom and also has a branch in Spain.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 to the financial statements.

FINANCIAL RISK MANAGEMENT

The Board of Directors is responsible for setting financial risk management policy and objectives, and approves the parameters within which the various aspects of financial risk management are operated.

The key financial risk for the company is foreign currency risk which arises through the provision of foreign exchange services. The company seeks to reduce its foreign exchange exposure arising in various currencies by putting in place a robust hedging programme.

DIVIDENDS

The directors have declared and paid interim dividends of £13,614,000 (2013: £3,018,000). The directors propose a final dividend of £nil (2013: £nil).

DIRECTORS

The directors of the company who served during the year and to the date of this report were:

S Bown	
L Butcher	(resigned 20 May 2014)
B Finnigan	(resigned 20 May 2014)
M Gonzalez	(appointed 11 July 2014)
M Knowles	
S Taylor	(resigned 20 May 2014)
A Sparks	(appointed 11 July 2014)

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

HiFX EUROPE LIMITED

DIRECTORS' REPORT (continued)

For the year ended 30 June 2014

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board of Directors and signed on behalf of the Board:

Steve Bown

S Bown
Director
3 September 2014

Morgan House
Madeira Walk
Windsor
Berkshire
SL4 1EP

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 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 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 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 corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIFX EUROPE LIMITED

We have audited the financial statements of HiFX Europe Limited for the year ended 30 June 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes to the accounts, 1 to 22. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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.

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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 30 June 2014 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

John Clennett

John Clennett (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, United Kingdom
3 September 2014

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2014

	Note	2014 £'000	2013 £'000
TURNOVER	2	4,317,862	3,853,396
Cost of sales		(4,289,880)	(3,829,049)
GROSS PROFIT		27,982	24,347
Administrative expenses		(21,936)	(19,286)
OPERATING PROFIT		6,046	5,061
Profit on disposal of subsidiary undertakings	11	43,153	340
Profit on disposal of fixed assets		9	-
Income from group investments		5,931	3,694
Interest receivable and similar income		92	34
Amounts written off investments		(15)	(23)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	55,216	9,106
Tax on profit on ordinary activities	8	(1,424)	(1,304)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		53,792	7,802
PROFIT FOR THE FINANCIAL YEAR	19	53,792	7,802

All results derive from continuing operations.

There were no recognised gains or losses other than those presented in the profit and loss account.

BALANCE SHEET
30 June 2014

	Note	2014 £'000	Restated 2013 £'000
FIXED ASSETS			
Tangible fixed assets	9	982	1,002
Investments	10	-	977
		982	1,979
CURRENT ASSETS			
Debtors	12	61,524	18,876
Cash at bank and in hand		9,230	28,924
		70,754	47,800
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(24,742)	(43,039)
NET CURRENT ASSETS		46,012	4,761
TOTAL ASSETS LESS CURRENT LIABILITIES		46,994	6,740
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(138)	(62)
NET ASSETS		46,856	6,678
CAPITAL AND RESERVES			
Called up share capital	17	72	72
Share premium account	18	1	1
Capital redemption reserve	18	814	814
Profit and loss account	18	45,969	5,791
SHAREHOLDERS' FUNDS		46,856	6,678

The effect of the restatement of the 2013 balance sheet has been to increase assets and liabilities by £12,261,000.

The financial statements of HiFX Europe Limited (registered number 03517451) were approved by the Board of Directors and authorised for issue on 3 September 2014.

Signed on behalf of the Board of Directors

M Knowles
Director

S Bown
Director

CASH FLOW STATEMENT
30 June 2014

	Cash flow note	2014 £'000	2013 £'000
Net cash (outflow) / inflow from operating activities	1	(8,170)	3,550
Returns on investments and servicing of finance			
Interest received		19	33
Dividends received		5,932	3,694
Net cash inflow from returns on investments and servicing of finance		5,951	3,727
Taxation paid		(1,506)	(392)
Capital expenditure and financial investment			
Payments to acquire tangible assets		(625)	(462)
Receipts from sales of tangible assets		9	-
Net cash (outflow) from capital expenditure		(616)	(462)
Acquisitions and disposals			
Acquisition of minority interest		(15)	(964)
Repayment of loan notes and contingent consideration		350	-
Disposal of subsidiary undertaking		41,158	-
Net cash inflow / (outflow) from acquisitions and disposals		41,493	(964)
Net cash inflow before financing		37,152	5,459
Financing			
Repurchase of ordinary shares		-	(6,533)
Unsecured loans repaid		426	7
Unsecured loans advanced		(43,658)	-
Equity dividends paid		(13,614)	(3,018)
Net cash (outflow) from financing		(56,846)	(9,544)
(Decrease) in cash in the year	2, 3	(19,694)	(4,085)

NOTES TO THE CASH FLOW STATEMENT
30 June 2014

1. Reconciliation of operating profit to net cash inflow from operating activities

	2014 £'000	2013 £'000
Operating profit	6,047	5,061
Depreciation	645	757
Unrealised foreign exchange loss	831	-
Decrease / (increase) in debtors	2,404	(4,323)
(Decrease) / increase in creditors	(18,097)	2,055
Net cash inflow from operating activities	(8,170)	3,550

2. Analysis of changes in net funds

	1 July 2013 £'000	Cash flow £'000	Non cash changes £'000	30 June 2014 £'000
Cash at bank and in hand	28,924	(19,694)	-	9,230

3. Reconciliation of net cash flow to movement in net funds

	2014 £'000	2013 £'000
(Decrease) / increase in cash in the year	(19,694)	(4,085)
Movements in net funds in the year	(19,694)	(4,085)
Opening net funds	28,924	33,009
Closing net funds	9,230	28,924

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. A summary of the more important accounting policies, which have been applied consistently in both the current and preceding periods, is presented below.

Basis of consolidation

The company disposed of its only significant subsidiary undertaking during the year. At the balance sheet date, all of the company's remaining subsidiaries were dormant and therefore group accounts are not required. Accordingly, these financial statements present information about the company only.

Going concern

The company's business activities, key risks and financial performance are set out in the directors' report on page 3.

The company has good financial resources and a sizeable established client base generating repeatable revenues across a range of markets and sectors.

The directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover comprises the gross consideration value of foreign exchange transactions executed on behalf of the company's clients, which are accounted for on a trade date basis, and interest earned on operating activity balances. Turnover also includes commission earned on the introduction of insurance and money market products which are accounted for on an accruals basis.

Financial instruments

The company changed its accounting policy for accounting for financial instruments. It has chosen to voluntarily apply FRS 25, FRS 26 and FRS 29 in the year. The directors consider that the new policy provides a fairer presentation of the result and of the financial position of the company because the financial instruments are now presented at fair value instead of at an approximation of fair value. The comparative figures in the balance sheet and notes have been restated to reflect the new policy the effect of which was to increase assets and liabilities by £12,261,000, and which had no impact on the profit and loss account.

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the profit and loss account, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), and 'loans and receivables'.

The company's only FVTPL financial assets comprise forward foreign currency exchange contracts with clients and banking counterparties. Such contracts are stated at fair value, with any gains or losses arising on remeasurement recognised in the profit and loss account. These contracts are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit and loss account.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The company's only financial liabilities at FVTPL are forward foreign currency exchange contracts which are stated at fair value, with any gains or losses arising on remeasurement recognised in the profit and loss account.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts and cross currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the profit and loss account immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Amounts payable to clients

Amounts payable to clients comprise amounts received in advance from clients in respect of foreign exchange transactions prior to the maturity date of a trade and currency owed to clients after maturity date awaiting disbursement.

Amounts held on deposit with brokers

Amounts held on deposit with brokers comprise amounts paid in advance in respect of foreign exchange transactions prior to the maturity date of a trade and currency owed by brokers after maturity date awaiting disbursement.

1. ACCOUNTING POLICIES (CONTINUED)

Impairment

Assets, other than financial assets, are reviewed for impairment whenever circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount calculations are performed using cash flow projections discounted at a rate which reflects the time value of money.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation and any impairment in value. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

DFX trading platform	25% straight line
Office equipment	20% - 100% straight line
Fixtures and fittings	33% straight line
Motor vehicles	25% straight line

Investments

Fixed asset investments are stated at cost less provision for any impairment. In the company balance sheet the cost of investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 the right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

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

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

2. TURNOVER AND SEGMENTAL INFORMATION

Turnover:

	2014 £'000	2013 £'000
Turnover comprises:		
Interest earned on operating activity balances	68	133
Foreign exchange transactions	4,317,256	3,852,964
Insurance & money market commissions	538	299
	4,317,862	3,853,396

3. EMPLOYEE INFORMATION

	2014 No.	2013 No.
Average monthly number of employees including directors during the year:		
Sales and operations	109	105
Administration	51	53
	160	158

	2014 £'000	2013 £'000
The aggregate payroll costs were as follows:		
Wages and salaries	9,749	9,279
Social security costs	1,199	1,089
Pension costs	321	325
	11,269	10,693

4. DIVIDENDS

	2014 £'000	2013 £'000
Interim dividends paid at £188.33 (2013 - £4.17) per share	13,614	3,018

5. DIRECTORS' EMOLUMENTS

	2014 £'000	2013 £'000
Emoluments	966	1,282
Pension costs	108	110
Benefits in kind	30	30
	1,104	1,422

	2014 £'000	2013 £'000
Remuneration of the highest paid director:		
Emoluments	365	338
Pension costs	16	32
Benefits in kind	2	13
	383	383

6. INTEREST RECIEVABLE

	2014 £'000	2013 £'000
Bank interest	6	14
Interest on loan notes	14	20
Interest on loans to parent undertaking	72	-
	92	34

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	2014 £'000	2013 £'000
Depreciation of tangible fixed assets	645	757
Operating lease rentals	478	448
Foreign exchange losses	54	32
Unrealised foreign exchange losses on intercompany loans	831	-
Fees payable to the company's auditors for the audit of the company's annual accounts	75	107
Fees payable to the Company's auditors and their associates for other services to the company		
- Tax services	10	23
- Vendor due diligence services	245	-

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £'000	2013 £'000
Current tax:		
UK corporation tax on profits for the year	1,445	1,282
Adjustments in respect of prior years	(62)	(1)
	1,383	1,281
Deferred tax:		
Origination and reversal of timing differences	3	16
Adjustment in respect of prior years	(13)	7
Adjustment in respect of rate changes	51	-
	41	23
Total tax charge for the year	1,424	1,304

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows.

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	52,245	9,106
Tax at the standard rate of 22.5% (2013: 23.75%)	11,755	2,163
Expenses not deductible for tax purposes	65	62
Income not chargeable	(10,376)	(953)
Depreciation in excess of capital allowance	20	22
Movement in short term timing differences	(19)	(12)
Adjustments in respect of prior years	(62)	(1)
Total current tax	1,383	1,281

9. TANGIBLE FIXED ASSETS

Company	DFX trading platform £'000	Office equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost:					
As at 1 July 2013	2,106	3,938	1,203	78	7,325
Additions	448	115	24	38	625
Disposals	-	-	-	(45)	(45)
As at 30 June 2014	2,554	4,053	1,227	71	7,905
Depreciation:					
As at 1 July 2013	1,476	3,695	1,085	67	6,323
Charge for the year	387	181	64	13	645
Disposals	-	-	-	(45)	(45)
As at 30 June 2014	1,863	3,876	1,149	35	6,923
Net book value:					
As at 30 June 2014	691	177	78	36	982
As at 30 June 2013	630	243	118	11	1,002

10. FIXED ASSET INVESTMENTS

Shares in subsidiary undertakings	£'000
As at 1 July 2013	977
Acquisition of minority interest in 121 Payments Ltd	15
Disposal of HiFX Limited	(977)
Other amounts written off	(15)
As at 30 June 2014	-

The company has investments in the following subsidiary undertakings:

Company	Country of incorporation	Shares held Class	%
HiFX Insurance Services Limited	United Kingdom	Ordinary	100
121 Payments Limited	United Kingdom	Ordinary	100

The principal activity of HiFX Insurance Services Limited was the introduction of insurance services. The principal activity of 121 Payments Limited was the introduction of clients in the education sector to HiFX Europe Limited. From 1 July 2013 the business of HiFX Insurance Services Limited was operated through HiFX Europe Limited. From 30 November 2013 the business of 121 Payments Limited was ceased. Details of investments in other dormant subsidiaries have been omitted.

11. SALE OF SUBSIDIARY UNDERTAKING

On 20 May 2014 the company sold its entire interest in the ordinary share capital of HiFX Limited for cash consideration of £41,158,000 and deferred consideration of £2,972,000. Profit on disposal, after writing off the company's cost of investment of £977,000, was £43,153,000.

On 30 July 2012 the company sold its entire interest in the ordinary share capital of HiFM Limited (formerly HiFX Financial Services Limited) to TBK (FM) Limited, a company in which certain directors of HiFX Europe Limited had material interests and directorships. Consideration receivable was £250,000 in 8% loan notes and contingent consideration dependent upon the performance of HIFM Limited in the two years ended 30 June 2015 which was estimated at £100,000. Profit on disposal, after writing off the company's cost of investment of £10,000, was £340,000. The loan notes and the contingent consideration were settled in cash of £350,000 during the year ended 30 June 2014.

12. CURRENT ASSETS

Debtors

	2014 £'000	2013 £'000
Trade debtors	140	-
Amounts held on deposit with bank counterparties	6,604	8,057
Amounts owed by group undertakings	46,338	35
Other debtors	97	978
Derivative financial assets	7,421	8,700
Deferred tax asset (see note 16)	339	380
Prepayments and accrued income	585	726
	61,524	18,876

Amounts falling due after more than one year and included above are:

	2014 £'000	2013 £'000
Other debtors	-	183
Derivative financial assets	456	143
Deferred tax asset	339	380

Cash at bank and in hand

The cash balance of £9,230,000 as at 30 June 2014 (2013: £28,923,000) includes £8,274,000 (2013: £23,573,000) held in respect of customer balances, the corresponding liability for which is held within Amounts payable to clients (see note 13). Of this amount, HiFX Europe Limited held £3,058,000 (2013: £3,740,000) of cash in designated accounts in accordance with the EU Payment Services Directive.

13. CREDITORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Amounts payable to clients	16,563	33,439
Trade creditors	785	508
Derivative financial liabilities	5,276	6,760
Corporation tax	550	672
Other taxation and social security	258	124
Other creditors	98	63
Accruals and deferred income	1,212	1,469
Creditors due within one year	24,742	43,037
Amounts falling due after more than one year:		
Derivative financial liabilities	138	62

14. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The company has changed its accounting policy for accounting for financial instruments. It has chosen to voluntarily apply FRS 25, FRS 26 and FRS 29 in the year. The directors consider that the new policy provides a fairer presentation of the result and of the financial position of the company because the financial instruments are now presented at fair value instead of at an approximation of fair value. The comparative figures in the primary statements and notes have been restated to reflect the new policy. The change in policy had no impact on the profit and loss account in the current or preceding financial year and the preceding year balance sheet has been restated for certain reclassifications.

Financial instruments at fair value through profit and loss

	2014 £'000	2013 £'000
Derivative financial assets:		
Forward foreign currency exchange contracts	7,421	8,700
Derivative financial liabilities:		
Forward foreign currency exchange contracts	(5,413)	(6,822)
Net forward foreign currency exchange contracts	2,008	1,878
Net impact on profit and loss in the year	130	330

14. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES (continued)

	Carrying amount 2014 £'000	Carrying amount 2013 £'000	Fair value 2014 £'000	Fair value 2013 £'000
Financial assets:				
Loans and receivables:				
Amounts held on deposit with bank counterparties	6,604	8,057	6,604	8,057
Trade and other receivables	237	978	237	978
Cash and cash equivalents	9,230	28,923	9,230	28,923
FVTPL:				
Forward foreign currency exchange contracts	7,421	8,700	7,421	8,700
Total financial assets	23,492	46,658	23,492	46,658

	Carrying amount 2014 £'000	Carrying amount 2013 £'000	Fair value 2014 £'000	Fair value 2013 £'000
Financial liabilities:				
Loans and borrowings:				
Trade and other payables	17,348	33,947	17,348	33,947
FVTPL:				
Forward foreign currency exchange contracts	5,413	6,822	5,413	6,822
Total financial liabilities	22,761	40,769	22,761	40,769

The following methods and assumptions were used to measure fair values.

Level 3 assets and liabilities -Trade and other receivables, cash and cash equivalents and trade and other payables approximate to carrying amount due to the short term to maturity of these instruments.

Level 2 assets and liabilities - Forward foreign currency exchange contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

15. FINANCIAL RISK MANAGEMENT

Foreign currency risk management

The company's foreign currency risk arises from its primary business model. The company executes spot and forward foreign currency contracts with its clients, principally buying or selling GBP, EUR and USD. To the extent that client contracts are not complementary in currency pair, direction or maturity date, the company enters into foreign currency contracts and cross currency swaps with banking counterparties.

The company has a treasury risk management function and a treasury policy to manage this risk. The policy limits the aggregate exposure the treasury function can run any each currency and applies a daily loss limit above which positions must be closed.

The following table details the forward contract exposures to each major traded currency at the year end:

	Client trades	Bank trades	Net exposure	Fair value £'000
30 June 2014				
EUR ('000)	(40,705)	40,707	2	(9)
USD ('000)	(59,664)	59,666	2	3
GBP ('000)	79,793	(77,835)	2,013	2,013
All other traded currencies				1
Total fair value				2,008
30 June 2013				
EUR ('000)	(37,967)	37,973	6	4
USD ('000)	138,640	(138,637)	3	3
GBP ('000)	(46,748)	48,615	1,867	1,867
All other traded currencies				4
Total fair value				1,878

The following table details the company's sensitivity to a 10% increase and decrease in GBP against certain relevant foreign currencies. The sensitivity analysis includes only outstanding forward foreign currency exchange contracts and indicates the impact on profit (loss) before tax:

	2014 £'000 +10%	2014 £'000 -10%	2013 £'000 +10%	2013 £'000 -10%
EUR	96	(117)	(1)	1
USD	(93)	114	(6)	6
All other traded currencies	4	(5)	(6)	6

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining security payments on forward trades as a means of mitigating the risk of financial loss from non-settlement of the trade. Where such security deposits are not obtained, credit exposure is controlled by

15. FINANCIAL RISK MANAGEMENT (continued)

counterparty limits that are subject to manager review and approval. Credit exposure on such uncollateralised forward trades at 30 June 2014 was £1,486,000 (2013 - £469,000).

The credit risk on amounts held on deposit with bank counterparties and on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its stakeholders and maintaining capital adequacy in accordance with its regulatory obligations. Capital is monitored on a quarterly basis by the directors.

The capital structure of the company consists of issued capital, reserves and retained earnings excluding investments and deferred tax assets.

Liquidity risk management

This is the risk of insufficient liquid funds being available to meet the company's working capital requirements. The company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities, in particular derivative financial assets and liabilities.

The following table details the company's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted gross inflows and outflows on those derivatives.

	Within 30 days £'000	30 to 90 days £'000	90 to 360 days £'000	More than 1 year £'000	Total £'000
30 June 2014					
Gross inflows	93,791	81,935	245,527	35,580	456,833
Gross outflows	(93,510)	(81,619)	(244,441)	(35,255)	(454,825)
	281	316	1,086	325	2,008
30 June 2013					
Gross inflows	139,411	258,467	138,383	9,832	546,093
Gross outflows	(139,059)	(257,959)	(137,454)	(9,743)	(544,215)
	352	508	929	89	1,878

16. DEFERRED TAX

	2014 £'000	2013 £'000
As at 1 July	380	404
Adjustment in respect of prior years	13	(7)
Charged to profit and loss in the year	(3)	(16)
Other adjustments	(51)	(1)
As at 30 June	339	380

	2014 £'000	2013 £'000
Analysis of deferred tax:		
Capital allowances in excess of depreciation	301	317
Short term timing differences	38	63
Deferred tax asset	339	380

There were no unrecognised deferred tax assets at the balance sheet date in the current or prior year.

17. CALLED UP SHARE CAPITAL

	2014 No. & £	2013 No. & £
Allotted, called up and fully paid		
Ordinary shares of £1 each	72,287	72,287

18. STATEMENT OF MOVEMENTS ON RESERVES

	Called up share capital £'000	Share premium account	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 July 2013	72	1	814	5,791	6,678
Profit for the year	-	-	-	53,792	53,792
Dividends paid	-	-	-	(13,614)	(13,614)
As at 30 June 2014	72	1	814	45,969	46,856

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit for the financial year	53,792	7,802
Repurchase of 9,711 A ordinary shares	-	(6,533)
Issue of 7,690 E ordinary shares	-	8
Dividends paid	(13,614)	(3,018)
Net (decrease) / increase in shareholders' funds	40,178	(1,741)
Opening shareholders' funds	6,678	8,419
Closing shareholders' funds	46,856	6,678

20. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2014 £'000	Land and buildings 2013 £'000
Expiry date		
- between two and five years	466	466
- more than five years	10	-
	476	466

21. RELATED PARTY TRANSACTIONS

The company takes advantage of the exemption under FRS 8 and does not report transactions or balances between group entities.

Included within other debtors are the following unsecured, non-interest bearing loans with no fixed repayment dates owed by directors, or former directors, of the company:

Director	2014 £'000	2013 £'000
Laurence Butcher	-	231
Matthew Knowles	-	54
Shaun Taylor	-	141
	-	426

The maximum amounts outstanding during the year were £231,000, £54,000 and £141,000 respectively and all amounts were repaid in full on 20 May 2014.

22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is EIM (FX) Limited, a company incorporated in the United Kingdom and registered in England & Wales.

The company's ultimate parent company is Euronet Worldwide, Inc. a company incorporated in the United States of America. Financial statements for Euronet Worldwide, Inc. can be obtained from 3500 College Boulevard, Leawood, Kansas 66211, USA.

As the immediate and ultimate parent companies have an accounting year end of 31 December, the company is not included in any consolidated financial statements with a period ending 30 June 2014.

Euronet Worldwide, Inc. has no single controlling party.