

Company registration no. 04001915

Travelex Limited

**Report and financial statements
for the year ended 31 December 2015**

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Travelex Limited
Strategic report
for the year ended 31 December 2015

The Directors present their strategic report of Travelex Limited (the Company) for the year ended 31 December 2015.

Principal activities

The Company is an intermediate holding company and undertakes central services on behalf of the Travelex Group (the 'Group'). The Directors do not expect a change in the principal activities of the business in the immediate future.

Review of the business

The Company has focused on maintaining its cost base throughout the global economic downturn. The costs incurred by the treasury function during the year principally relate to interest, and these charges were in line with expectations.

The treasury function continues to manage the investments held by the Travelex Group and trading levels have been maintained despite difficult market conditions.

Results and dividends

The Company's loss for the financial year is £73.9m (2014: loss £65.2m). The statement of comprehensive income is set out on page 7 and shows the result for the year. The Company also reported net assets for the year to 31 December 2015 of £483.5m (2014: £557.4m). No interim dividends were declared during the year and the Directors do not recommend the payment of a final dividend (2014: £nil).

Financial risk management

The management of the business and the execution of the Company's strategy are subject to a number of risks.

Liquidity risk

The settlement of spot and forward contract obligations requires adequate liquidity which is provided through intra-day settlement facilities.

Foreign currency risk

The Company conducts business in many foreign currencies, reporting its results in Sterling. As a result, it is subject to fluctuations in foreign exchange rates which affect the Company's transactional revenues and costs. The majority of the potential foreign exchange exposure is in United States Dollars. The Company's foreign exchange risk management policy aims to identify and minimise this exposure wherever possible.

The Company's balance sheet currency exposure is primarily managed by matching currency assets with currency borrowings.

Credit risk

The Company borrows from and deposits money with its subsidiaries and fellow Group companies as part of the treasury activities conducted. The arrangements are governed by loan agreements which specify limits and tenor and are authorised in accordance with the Company's board mandates.

Travelex Limited
Strategic report
for the year ended 31 December 2015

Credit risk (continued)

Investments with external counterparties are in accordance with group policies approved by the board of Directors. Limits are based on long term credit ratings issued by a third party and counterparty deposits are reported to the board of Directors on a monthly basis.

By order of the Board

M. L. Emmerson

M L Emmerson
Director

13 June 2016

Registered office
4th floor
Kings Place
90 York Way
London
N1 9AG

Company Registration Number
04001915

Travelex Limited
Directors' report
for the year ended 31 December 2015

The Directors present their report and the audited financial statements of Travelex Limited (the Company) for the year ended 31 December 2015.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J E S Birch	
J P Jackson	Resigned 26 February 2015
M L Emmerson	
M D Ball	Resigned 31 March 2016
S Pignet	Appointed 6 April 2015

Financial instruments

The Company has a strategy to mitigate its exposure to foreign currency volatility through the use of appropriate financial instruments. The control framework associated with this strategy includes the establishment of clear parameters for the Company's operations, including levels of authority and the type and use of financial instruments. In addition, the Company follows guidance given by the parent undertaking's Group Risk Committee. This committee addresses all aspects of risk within the business including, but not limited to, financial risk exposures.

Employees

The Company is committed to employee involvement as it believes that its business objectives are best achieved if the Company's staff understand and support the Company's strategy. Staff members are kept informed of performance through briefing meetings, supplemented by a range of internal communications. Executives regularly visit business locations to discuss matters of current interest with staff and the Company's financial performance is presented and explained to staff during the year.

Equal opportunities

The Company's policy is not to discriminate against anyone, on any grounds. Training is available and provided to all levels of staff, and investment in employee development is a priority. Within this policy, the Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled, the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Dividends

No interim dividends were declared during the year and the Directors do not recommend the payment of a final dividend (2014: £nil).

Travelex Limited
Directors' report
for the year ended 31 December 2015

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland. 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 account 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 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 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.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware. In addition, the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The Company has dispensed with the requirement to hold an Annual General Meeting and the board will reappoint Ernst & Young LLP as auditors during the course of the year.

By order of the Board

M. L. Emmerson

M L Emmerson
Director

13 June 2016

Registered office
4th floor
Kings Place
90 York Way
London
N1 9AG

Company Registration Number
04001915

Travelex Limited
Independent Auditors' Report
To the members of Travelex Ltd
for the year ended 31 December 2015

Report on the financial statements

We have audited the financial statements of Travelex Limited for the year ended 31st December 2015 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, Statement of changes in equity and the related notes 1 to 23. 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Strategic report and the Director's 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 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; 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.

Travelex Limited
Independent Auditors' Report
To the members of Travelex Ltd
for the year ended 31 December 2015

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.



Victor Veger (senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
London
13 June 2016

Travelex Limited
Statement of Comprehensive Income
As at 31 December 2015

£'000		2015	2014 (restated)
Income from the recharge of central services		53,594	38,129
Operating expenses		(44,007)	(37,160)
Other exceptional items and non-underlying adjustments	3	(77,165)	(67,614)
Operating loss		(67,578)	(66,645)
Dividend income from fixed assets investments		9,418	9,834
Loss on ordinary activities before interest and taxation	4	(58,160)	(56,811)
Interest receivable and similar income	6	21,797	22,404
Interest payable and similar charges	5	(38,626)	(31,984)
Loss on ordinary activities before tax		(74,989)	(66,391)
Tax on loss on ordinary activities	8	1,130	1,231
Loss for the financial year		(73,859)	(65,160)
Other comprehensive income:		-	-
Total comprehensive income for the financial year		(73,859)	(65,160)

The notes on pages 10 to 23 form an integral part of these financial statements.

Travelex Limited
Balance Sheet
For the year ended 31 December 2015

£'000	Note	2015	2014 (restated)
Non-current assets			
Tangible assets	11	6,286	856
Investments	10	483,482	423,643
		489,768	424,499
Current Assets			
Debtors	12	700,263	896,629
Derivative financial assets	14	301	2,620
Restricted cash	13	-	315
Cash at bank		27,693	73,614
		728,257	973,178
Derivative financial liabilities	14	(537)	-
Creditors – amounts falling due within one year	15	(733,954)	(840,282)
Net current assets/(liabilities)		(6,234)	132,896
Total assets less current liabilities		483,534	557,395
Net assets		483,534	557,395
Capital and reserves			
Called up share capital	16	70,900	70,900
Share premium account	17	19,100	19,100
Capital reserve	17	993	995
Profit and loss account	17	392,541	466,400
Total shareholders' funds		483,534	557,395

The notes form an integral part of these financial statements.

The financial statements on pages 7 to 23 were approved by the Board of Directors on 10 June 2016 and were signed on its behalf by:



M L Emmerson
Director

Travelex Limited
Statement of Changes in Equity
As at 31 December 2015

£000's	Note	Called up share capital and share premium account	Capital reserve	Profit and loss account	Total
At 1 January 2014		90,000	993	528,950	619,943
Adjustment in Retained earnings	23	-	-	5,376	5,376
Restated Balance as at 1 January 2014		90,000	993	534,326	625,319
Profit and total comprehensive Loss for the year		-	-	(65,160)	(65,160)
Capital contribution		-	2	-	2
Capital contribution adjustment		-	-	(2,766)	(2,766)
At 31 December 2014		90,000	995	466,400	557,395
Profit and total comprehensive Loss for the year		-	-	(73,859)	(73,859)
Capital contribution		-	(2)	-	(2)
At 31 December 2015		90,000	993	392,541	483,534

The notes on pages 10 to 23 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 10 June 2016 and were signed on its behalf by:



M L Emmerson
Director

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

1. Accounting Policies

General information

Travelex Limited is a company incorporated in the United Kingdom under the Companies Act. The registered office and principle place of business is 4th Floor, Kings Place, 90 York Way, London, N1 9AG. BRS Ventures & Holdings Limited is the Company's ultimate parent company, it is incorporated in the British Virgin Islands.

Basis of preparation

The financial statements of the company have been prepared on a going concern basis, in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The functional and presentational currency of the Company is Sterling.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 22.

Travelex Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to share based payments, segmental reporting, financial instruments, presentation of a cash-flow statement, intra-group transactions and remuneration of key management personnel.

Revenue recognition

Revenue is generated from the recharge of central services as management charges to other group companies for services incurred on their behalf by the Company. This income is recognised in the profit and loss account when earned.

Operating expenses

Operating expenses comprise costs required to operate the business, as well as costs incurred on behalf of fellow group undertakings. These are recognised as incurred.

Debtors

Debtors principally comprise amounts due from other group undertakings, which represent both trading and non-trading loans. It also includes taxation related balances. They are non-derivative financial instruments which have a fixed or easily determined value. They are recognised at cost, less any provisions for impairment in their value.

Creditors

Creditors comprise accruals and other sundry trading balances. They are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

Financial assets and liabilities

The Company is exempt from the requirement to adopt full disclosure of the classification of financial assets and to disclose detailed accounting bases in its financial statements as it is a wholly owned subsidiary of Travelex Holdings Limited. That consolidated financial statements of Travelex Holdings Limited and subsidiaries (the Group) include a full disclosure on financial assets and liabilities and are publicly available.

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

1. Accounting Policies (continued)

Share capital and premium

Share capital and premium represents the capital contributions made by Travelex Group Limited in the Company on incorporation. Incremental costs directly related to the issuance of new ordinary shares are deducted against the share capital account.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost and depreciated so as to write off the cost of the asset over its estimated useful economic life. Cost includes expenditure which is directly attributable to bringing the asset into the condition required for its intended use.

Depreciation is calculated on a straight-line basis using the following rates:

Fixtures and fittings	10-20% per annum
Computer hardware	33.3% per annum
Computer software	33.3% per annum

Income taxes

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date.

Deferred taxation

In accordance with FRS 102, Deferred tax, full provision is made for deferred tax liabilities arising from timing differences due to the different treatment of certain items for taxation and accounting policies. The provision is calculated at the average tax rates that are expected to apply when the timing differences are expected to reverse and is not discounted. No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a binding commitment to dispose of the assets at the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not there will be suitable taxable profit from which the future reversal of the underlying timing difference can be deducted.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction into pounds sterling. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date, with differences arising on translation recorded in the profit and loss account. All other exchange gains and losses, which arise from normal trading activities, are included in the profit and loss account as incurred.

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

1. Accounting Policies (continued)

Cash at bank

Cash at bank in the balance sheet represents the cash book balance. This differs from the bank statement balance due to reconciling timing differences i.e. unpresented cheques or wires and deposits in transit. Cash at bank also includes those short-term deposits, of a maturity of typically less than five days, held with banks and other financial institutions.

Share based employee remuneration

The Group operates a share based payment scheme. The share based remuneration awards made by the ultimate parent company on behalf of the Company for services provided to the Company were previously equity settled.

Prior to 31 December 2014, the scheme was accounted for as a cash settled share based payments scheme with the fair value of the awards recognised as a liability. As at 31 December 2014, the Directors of Travelex Holdings Limited considered that there was sufficient certainty that the awards would be settled in equity. The change in the classification was not considered a modification to the scheme and therefore the amount of the liability was transferred to equity at the value attributed to the shares on inception of the scheme.

This is treated as a capital contribution from the ultimate parent company.

Following the sale of the Group to UTX Holdings Limited on 29 January 2015, the beneficial title to all M shares was purchased by UTX Holdings Limited, a subsidiary of BRS Ventures & Holdings Limited.

Derivative financial instruments

The Company utilises financial instruments to manage its exposure to fluctuations in exchange and interest rates. The Travelex Group enters into currency derivatives to hedge foreign cash flows and to manage the composition of its foreign currency assets and liabilities. Interest rate derivatives are used to manage the mix of debt between fixed and floating rate instruments. Gains and losses on these instruments are included within interest receivable and similar income. The gross asset and liability relating to foreign currency forwards are reported separately in the balance sheet, with the exception of those with other group undertakings which are included in amounts due to or from group undertakings.

Derivative financial instruments are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The instrument is derecognised from the balance sheet when the contractual rights or obligations arising from that instrument expire or are extinguished.

Derivative financial instruments are recognised at fair value. The gains and losses on remeasurement to fair value are recognised immediately in the profit and loss account. Derivative financial instruments are recognised on a trade date basis.

The company has taken advantage of the exemption available under FRS 102 from the disclosure requirements on financial instruments.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

1. Accounting Policies (continued)

Pension costs

Contributions to the Group's defined contribution pension schemes are charged to the profit and loss account as incurred.

Interest receivable and payable

Interest receivable and payable is recognised in the statement of comprehensive income using the effective interest rate method and therefore recorded in the period in which it is earned or incurred.

Dividends receivable

Dividends are recognised when declared and approved by the board of directors of the investee.

2. Significant judgements and estimates

The carrying amount of assets and liabilities are readily apparent from other sources and therefore the Directors determine that there is no need to make further judgements, estimates or assumptions in regards to those carrying amounts.

3. Other exceptional items and non-underlying adjustments

£'000	2015	2014
Exceptional Items:		
Project Squadron	24,083	18,047
Management Retention	10,789	-
	34,872	18,047
Non-underlying adjustments:		
Project costs	4,545	-
Sale of Travelex to UTX Holdings Ltd	(1,452)	-
Sale of Travelex Global Business Payments to Western Union	(1,101)	-
Stores work stream project cost write off	-	(1,500)
Reorganisation costs	301	154
Liquidation of Travelex Russia Retail	-	412
RCF costs	-	501
Impairment of investment in subsidaires*	40,000	50,000
	42,293	49,567
Exceptional items and non-underlying adjustments	77,165	67,614

Exceptional items of £24.1m primarily relate to legal and professional fees incurred for corporate projects associated with preparing for the sale of the Group to UTX Holdings Limited. In addition to this £10.8m relates to provisions made in respect of the senior management retention scheme. In 2014, exceptional items of £18m primarily related to the legal and professional fees incurred for corporate projects associated with preparing for the sale of the Group to UTX Holdings Limited.

Non-underlying adjustments consists of £4.5m relating to various project costs, (£1.4m) relating to the sale of Travelex to UTX Holdings Limited, (£1.1m) relates to discontinued operations residual income relating to the sale of Travelex Global Business Payments to Western Union, £0.3m relates to reorganisation costs.

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

3. Other exceptional items and non-underlying adjustments (continued)

* An investment in Travelex Central Services was made in 2014, in the form of a non interest bearing loan, which was subsequently waived. The description of this item has been changed to better reflect the nature of the transaction. During 2015, Travelex Limited also made an investment in Travelex UK Limited in the form of a non interest bearing loan which was subsequently waived and fully impaired within the financial year (see note 10).

4. Loss on ordinary activities before interest and taxation

Loss on ordinary activities before interest and tax is stated after charging/(crediting):

£'000	2015	2014
Income from the recharge of central services	(53,594)	(35,541)
Depreciation of owned tangible assets	667	163
Operating lease rental	1,130	1,245
Exchange loss	(8)	-

Auditors' remuneration

Remuneration of the Company's auditors is paid and borne by a fellow subsidiary undertaking of the ultimate holding company, Travelex Holdings Limited, the recharge to the Company being £666,031 (2014: £746,492).

5. Interest payable and similar charges

£'000	2015	2014
Bank loans and overdrafts	17	(37)
Interest payable to group undertakings	38,073	31,886
Finance costs on refinancing	536	135
	38,626	31,984

6. Interest receivable and similar income

£'000	2015	2014
Bank interest	114	165
FX gains (net)	2,205	1,401
Interest receivable from group undertakings	19,478	20,838
	21,797	22,404

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

7. Employees and Directors

The service contracts of the employees are with Travelex UK Ltd, and the employees paid by, a fellow subsidiary company. These costs are disclosed as they are recharged to the Company for the services that these employees provide to the Company. The monthly average number of employees that provide services to the Company during the year, calculated on a full-time equivalent basis was as follows:

Monthly Average number of employees

Number	2015	2014
Group support functions	227	159

Employee costs

£'000	2015	2014
Wages and salaries	26,031	24,013
Share based employee remuneration	6	2
Social security costs	2,167	1,690
Other pension costs	739	672
	28,943	26,377

The M ordinary shares allow shareholders to receive one-ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital and are held in beneficial ownership in Trust.

Awards under the employee share based remuneration scheme are measured at the fair value of the award at the date of grant.

Prior to 31 December 2014, the scheme operated as a cash settled share based payments scheme with the fair value of the awards recognised as a liability. As at 31 December 2014, the Directors of Travelex Holdings Limited considered that there was sufficient certainty that the awards would be settled in equity. The change in the scheme was not considered a modification to the scheme and therefore the amount of the liability was transferred to equity at the value attributed to the shares on inception of the scheme and any change in the value of the scheme has been reflected in the income statement. There is a charge of £5,834 (2014: £1,684) recognised in the current year.

The Group has no legal obligation to repurchase these shares.

Following the sale of the Group to UTX Holdings Limited on 29 January 2015, the beneficial title to all M shares was purchased by UTX Holdings Limited, a subsidiary of BRS Ventures & Holdings Limited.

Directors' emoluments

£'000	2015	2014
Aggregate emoluments	213	127
Share based remuneration	6	5
Company contributions to defined contribution schemes	1	2
	220	134

The amounts above relate to emoluments in respect of four Directors (2014: four) of the Company, and represent an apportionment of the total emoluments paid to them to reflect their qualifying services as Directors of the Company.

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

7. Employees and Directors (continued)

Two Directors have benefits accruing under defined contribution pension arrangements (2014: one). The emoluments of the highest paid Director were £122,693 (2014: £84,354). The company made no contributions to the highest paid directors pension arrangements (2014: £2,303).

8. Tax on loss on ordinary activities

Analysis of charge in the period:

£'000	2015	2014
Current tax		
Current tax credit on current year loss	(217)	(792)
Adjustment in respect of prior periods	(913)	(439)
Total current tax expenses/(credit)	(1,130)	(1,231)
Deferred tax		
Deferred tax charge	-	-
Adjustment to deferred tax in respect of prior periods	-	-
Total deferred tax	-	-
Tax expense/(credit) for the year	(1,130)	(1,231)

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the company's profits for this accounting period are taxed at an effective rate of 20.25% (2014: 21.5%).

The current tax credit for the year differs to the standard rate of corporation tax in the UK (2014: 21.5%).

The differences are detailed below:

£'000	2015	2014
Loss on ordinary activities before tax	(74,989)	(66,391)
Result multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	(15,185)	(14,274)
Effects of:		
Expenses not deductible for tax purposes	3,141	3,051
Depreciation in excess of capital allowance not recognised	135	-
Accelerated capital allowances	-	35
Other timing differences	1,795	(21)
Impairment not deductible	8,140	10,750
Carry forward of current year losses	3,664	1,781
Dividend income (non-taxable)	(1,907)	(2,114)
Adjustments in respect of prior period	(913)	(439)
Total tax expenses/(credit)	(1,130)	(1,231)

9. Deferred taxation

There are £19.6m (2014: £17.1m) unrecognised deferred tax assets relating to unused tax losses of £16.6m (2014: £16.2m), short term timing differences of £2.2m (2014: £0.2m) and accelerated capital allowances of £0.9m (2014: £0.6m).

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

10. Investments

£'000	
Cost	
At 1 January 2015 (restated)	923,667
Additions	99,839
At 31 December 2015	1,023,506
 Accumulated Impairment	
At 1 January 2015 (restated)	500,024
Additions	40,000
At 31 December 2015	540,024
 Net book value	
At 31 December 2015	483,482
At 31 December 2014	423,643

During the year the Company increased its existing investment in subsidiaries within the Travelex Group for a total consideration of £59.8m (2014: £6.6m). This is related to the acquisition of Grupo Confidence, a subsidiary of Travelex Do Brasil Holding Ltd, and an investment in Travelex Brazil. During the year Travelex UK Limited and Travelex Agency Services carried out a refinancing exercise in order to ensure that the stand-alone entity has the necessary net assets to meet its continuing obligations. To achieve this, Travelex Limited has made a capital contribution of £40.0m through capitalisation of intercompany debtor balances. This was fully impaired during the financial year.

In 2014, Travelex Central Services Limited, a fully owned subsidiary of Travelex Limited, carried out a refinancing exercise in order to ensure adequate net assets to meet its continuing obligations. To achieve this, Travelex Limited waived £50.0m intercompany loan with Travelex Central Services. The investment was restated to reflect the nature of the transaction that is a capital contribution. The full balance of investment was fully impaired in 2014.

The Directors consider the value of the investments to be supported by their underlying assets.

Travelex Limited
Notes to financial statements
For the year ended 31 December 2015

The subsidiaries, all wholly owned unless otherwise stated, and joint ventures are as follows:

Name	Principal Activity	Country of incorporation
Travelex SA/NV	Sale of foreign currency banknotes and other foreign exchange products	Belgium
Travelex Canada Limited	Sale of foreign currency banknotes and other foreign exchange products	Canada
Travelex Agency Services Limited	Sale and purchase of travel money through partner-owned stores	England and Wales
Travelex Banknotes Limited	Provision of banknotes and related distribution services	England and Wales
Travelex Global and Financial Services Limited	Processing of encashed travellers' cheques	England and Wales
Travelex Currency Services Limited	Provision of foreign currency and ancillary services to financial institutions and travel agents	England and Wales
Travelex Property Services Ltd (UK)	Dormant	England and Wales
Travellers Exchange Corporation Limited	Dormant	England and Wales
Travelex Central Services Limited	Provision of central services to subsidiary companies	England and Wales
Travelex Foreign Coin Services Limited	Provision of services for foreign coins	England and Wales
Travelex UK Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex Group Investments Limited	Intermediate holding company	England and Wales
Travelex Italia Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
Travelex France Holdings Limited	Intermediate holding company	England and Wales
GWK Travelex NV	Sale of foreign currency banknotes and other foreign exchange products	The Netherlands
Travelex Czech Republic as	Sale of foreign currency banknotes and other foreign exchange products	Czech Republic
Travelex Deutschland GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travelex Nederland Holdings BV	Dormant	The Netherlands
Travelex Services Inc (US)	Dormant	USA
Travelex Japan KK	Sale of foreign currency banknotes and other foreign exchange products	Japan
Travelex Representative Office Nigeria Limited		Nigeria
Travelex Retail Nigeria Limited	Sale of foreign currency banknotes and other foreign exchange products	Nigeria

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Name	Principal Activity	Country of incorporation
Travelex Switzerland AG	Sale of foreign currency banknotes and other foreign exchange products	Switzerland
Travelex Bahrain WLL (75% owned)	Sale of foreign currency banknotes and other foreign exchange products	Bahrain
Travelex India Private Limited	Sale of foreign currency banknotes and other foreign exchange products	India
Travelex Holding (HK) Limited	Intermediate holding company	Hong Kong
Travelex Holding (S) PTE Limited	Intermediate holding company	Singapore
Travelex Emirates LLC (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	UAE
Travelex & Co LLC (Oman) (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Oman
FX Africa foreign Exchange (Pty) Ltd (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	South Africa
US Deposits Holdings LLC (39% owned)	Investment of money on behalf of Travellers Cheque group	USA
Travelex Malaysia SDN BHD (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Malaysia
PT Travelex Indonesia Ltd	Dormant	Indonesia
Travelex Financial Services NZ Ltd	Sale of foreign currency banknotes and other foreign exchange products	New Zealand
Travelex Qatar (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	Qatar
Travellers Cheques Encashment Services Ltd	Processing of encashed travellers' cheques	England and Wales
South American Card Services Ltd	Issuance of prepaid cards	Brazil
Travelex Do Brasil Holding Societaria Ltd	Intermediate Holding Company	Brazil
US Deposits LLC	Investment of money on behalf of Travellers Cheque group	USA
Travelex Panama S.A (60% owned)		Panama
Travelex Europe Limited	Electronic money institution	England and Wales
Autobahn-Raststatte Basel Nord AG (30%)		Switzerland
Travelex Financial Services GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travelex Poland sp.z.o.o.	Sale of foreign currency banknotes and other foreign exchange products	Poland
Travelex Finland OY	Sale of foreign currency banknotes and other foreign exchange products	Finland
Travelex Cyprus Limited	Sale of foreign currency banknotes and other foreign exchange products	Cyprus
FX Africa International Ltd (Mauritius)		Mauritius

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11. Tangible assets

£'000	Assets under construction	Fixtures and Fittings	Computer hardware and software	Total
Cost				
At 1 January 2015	423	524	3,490	4,437
Additions	3,365	1,656	1,076	6,097
Reclassification	(248)	-	248	-
At 31 December 2015	3,540	2,180	4,814	10,534
Accumulated Depreciation				
At 1 January 2015	-	191	3,390	3,581
Charge for the year	-	415	252	667
At 31 December 2015	-	606	3,642	4,248
Net book value				
At 31 December 2015	3,540	1,574	1,172	6,286
At 31 December 2014	423	333	100	856

Additions in the year relate to the capitalisation of costs relating to the relocation of the premises from 65 Kingsway, London, WC2B 6TD to 4th Floor, 90 York Way, Kings Place, London, N1 9AG, Shared Services Migration programme's Wholesale & Partners stream, Travelex Supercard and the capitalisation of launch of Digital Mobile and Online costs. Additions also include costs held in Assets under construction relating to PCI project £0.7m and Digital payment projects £2.6m.

Reclassification of £0.2m relates to the capitalisation of Travelex Supercard and Optimal Web system costs.

12. Debtors

£'000	2015	2014
Other debtors	422	5,663
Prepayments and accrued income	1,754	2,132
Group tax receivable	6,718	1,772
Amounts due from subsidiary undertakings	124,964	333,203
Amounts due from parent undertakings	566,405	553,859
	700,263	896,629

Interest is charged on certain amounts due from group undertakings at an average rate of LIBOR plus 3.5% (2014: 2.5%). Where interest is not charged, amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. Restricted cash

£'000	2015	2014
Current		
Amount held in escrow	-	315

Current restricted cash is £nil (2014: £0.3m). The balance was reclassified to cash following the sale of the Global Business Payment business.

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14. Derivatives:

£'000	2015	2014
Derivative financial assets: amounts due from external counterparties	301	2,620
Derivative financial liabilities: amounts due to external counterparties	(537)	-

Fair value estimation

The fair value of the forward foreign currency contracts has been determined based on market forward exchange rates at the balance sheet date. There is no material difference between the carrying value and fair value of the financial assets and liabilities at the balance sheet date. The book value of all financial instruments represents the maximum credit risk.

Maturity of financial liabilities

All of the Company's financial liabilities are on demand or due within one year.

15. Creditors - amounts falling due within one year

£'000	2015	2014
Amounts owed to subsidiary undertakings	680,541	795,113
Amounts owed to parent undertakings	33,430	28,392
Other creditors	2,548	6,398
Accruals and deferred income	17,435	10,379
	733,954	840,282

An amount of £14.7m (2014: £17.3m) bearing interest at 0.0% (2014:0.0%) due to Travelex Global and Financial Services Limited is included within amounts owed to subsidiary undertakings. All other amounts owed to group undertakings bear interest at LIBOR plus 3.5% (2014: 2.5%).

Other creditor includes a trade creditor balance of £1.6m relating to Group Insurance.

16. Called up share capital

	2015 number	£'000	2014 number	£'000
Ordinary shares of £1 each	70,606,334	70,606	70,606,334	70,606
Ordinary 'A' shares of £1 each	293,333	294	293,333	294
	70,899,667	70,900	70,899,667	70,900

The holders of the 'A' Ordinary £1 shares have waived their rights to all future dividends. The holders of the 'A' Ordinary £1 shares may at any time, with the agreement of a qualified class majority, convert the whole of their 'A' Ordinary £1 shares into a like number of £1 Ordinary shares.

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17. Reconciliation of movements in shareholders' funds

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital Reserve – represents capital contribution from the Group

Profit and loss account – includes all current and prior period retained profits and losses.

The movement in total shareholder's funds is as follows:

£'000	Profit and Loss account	Capital Reserve	Profit and loss account and capital reserve
At 1 January 2015	466,400	995	467,395
Loss for the year	(73,859)	-	(73,859)
Capital contribution	-	(2)	(2)
At 31 December 2015	392,541	993	393,534

18. Operating leases

The Company's future minimum operating lease payments under non-cancellable operating leases for land and buildings are as follows:

£000's	2015 Land and buildings	2014 Land and buildings
Expiring within one year	1,375	236
Expiring between one and five years	5,068	-
Expiring more than five years	3,801	-
	10,244	236

19. Related party transactions

As a wholly owned subsidiary whose results are included in the consolidated financial statements of Travelex Holdings Limited, the Company has taken advantage of the exemption under FRS 102.33.1A, from the requirements to disclose transactions with other wholly owned group companies.

A capital contribution by Travelex Holdings Limited, the ultimate parent company, of £5,834 is recognised in the current year in relation to M ordinary shares issued in it to certain employees of the Company. Further details are disclosed in note 7.

20. Contingent liabilities

On 1 August 2013, TP Financing 3 Limited and its subsidiaries arranged a £90.0m package of facilities to finance the Travelex Group's ongoing cash flow requirements until 2018. Travelex Central Services Limited, alongside most subsidiaries of the Group, then agreed to stand as guarantor of these senior facilities. The balance outstanding under these guarantees as at 31 December 2015 was £29.9m (31 December 2014: £27.3m).

On 1 August 2013, Travelex Financing Plc raised £350.0m of high yield notes due 2018, the proceeds of which were used to repay existing external debt which was nearing term. Travelex Central Services Limited is also a guarantor in respect of this arrangement. The full balance is outstanding as at 31 December 2015 and 31 December 2014.

21. Ultimate and intermediate parent undertakings

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The immediate parent undertaking of the Company is Travelex Group Limited.

Until 29 January 2015 Travelex Holdings Limited was the Company's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The registered office and principle place of business is 4th floor, Kings Place, 90 York Way, London, N1 9AG. On 29 January 2015, the Group was sold to BRS Ventures & Holdings Limited, a company incorporated in the British Virgin Islands. BRS Ventures & Holdings Limited is now the Company's ultimate parent company from that date.

22. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

Changes for FRS 102 adoption:

- 1) The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measure at the salary cost payable for the period of absence. There were no significant changes due to transition.
- 2) During the year, management considered that a group recharge expense receivable to Travelex Central Services Limited shall have been received by the Company in 2013 which resulted to an adjustment to the retained earnings as of 1 January 2014 and a decrease in amounts owed to the Company by £5.4m. Accordingly, in accordance with FRS 102, the retained earnings and the amounts owed to the Company as of 31 December 2014 have been restated to conform to current year's presentation and disclosures.

£000's	Profit and Loss account
At 1 January 2014	528,950
Transition adjustment	5,376
Restated 1 January 2014	534,326

23. Comparative amounts

In 2014, Travelex Central Services Limited, a fully owned subsidiary of Travelex Limited, carried out a refinancing exercise in order to ensure adequate net assets to meet its continuing obligations. To achieve this, Travelex Limited waived £50.0m intercompany loan with Travelex Central Services. Investments have been restated to reflect the nature of the transaction that is a capital contribution. The full balance of investment was fully impaired in 2014.

During the year, the retained earnings as at 1 January 2014 was also restated to reflect a £5.4m group recharge expense payable to Travelex Limited relating to 2013 period.