

Travelex Limited

Report and financial statements
for the year ended 31 December 2013

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Travelex Limited
Strategic report
for the year ended 31 December 2013

The Directors present their strategic report of Travelex Limited (the Company) for the year ended 31 December 2013.

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 £28,054,000 (2012: £38,381,000). The profit and loss account is set out on page 8 and shows the result for the year. The Company also reported net assets for the year to 31 December 2013 of £619,943,000 (2012: £647,704,000). No interim dividends were declared during the year and the Directors do not recommend the payment of a final dividend (2012: £nil).

Exceptional costs

Exceptional costs of £4.5m relate mainly to costs associated with a reorganisation initiative including redundancy costs, principally redundancy/severance, as well as the restructure of the Travelex Group's Travellers' Cheques business.

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 to 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.

Travelex Limited
Strategic report
for the year ended 31 December 2013

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.

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 D Ball
Director
28 March 2014

Registered office
65 Kingsway
London
WC2B 6TD

Company Registration Number
4001915

Travelex Limited
Directors' report
for the year ended 31 December 2013

The Directors present their annual report and the audited financial statements of Travelex Limited (the Company) for the year ended 31 December 2013.

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
M L Emmerson
M D Ball

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.

Events after the balance sheet date

There are no post balance sheet events.

Charitable donations

The Company made no charitable or political donations in the current or prior year.

Travelex Limited
Directors' report
for the year ended 31 December 2013

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report and 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). 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 year. 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.

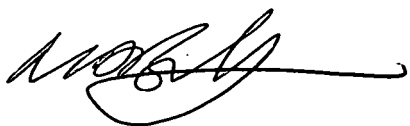
Statement of disclosure of information to auditors

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 have dispensed with the requirement to hold an Annual General Meeting and the board will reappoint PricewaterhouseCoopers LLP as auditors during the course of the year.

By order of the Board



M D Ball
Director
28 March 2014

Registered office
65 Kingsway
London
WC2B 6TD

Company Registration Number
4001915

Travelex Limited
Independent auditors' report
to the members of Travelex Limited
for the year ended 31 December 2013

We have audited the financial statements of Travelex Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet 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 5 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss 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

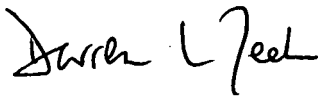
In our opinion the information given in the Strategic Report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Travelex Limited
Independent auditors' report
to the members of Travelex Limited
for the year ended 31 December 2013

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.



Darren Meek (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 March 2014

Travelex Limited
Profit and loss account
for the year ended 31 December 2013

£'000		2013	2012
Income from the recharge of central services		28,057	26,848
Operating expenses		(32,755)	(80,293)
Operating exceptional items	2	(4,520)	(5,289)
Operating loss		(9,218)	(58,734)
Profit on disposal of subsidiary undertakings	22	-	833
Dividend income from fixed assets investments		293,559	44,808
Impairment of fixed asset investments	8	(296,938)	-
Loss on ordinary activities before interest and tax	3	(12,597)	(13,093)
Interest receivable and similar income	5	21,209	22,756
Interest payable and similar charges	4	(44,255)	(47,371)
Loss on ordinary activities before tax		(35,643)	(37,708)
Tax on loss on ordinary activities	7	7,589	(673)
Loss for the financial year		(28,054)	(38,381)

The notes form an integral part of these financial statements.

All recognised gains or losses are included within the profit and loss account above.

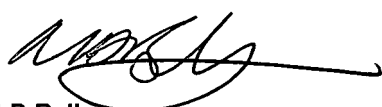
There is no difference between the loss before tax and the retained loss for the year stated above and their historical cost equivalents.

Travelex Limited
Balance sheet
As at 31 December 2013

£'000	Note	2013	2012
Non-current assets			
Tangible assets	9	751	722
Investments	8	416,998	672,155
		417,749	672,877
Current Assets			
Debtors	11	770,973	364,550
Derivative financial assets	13	1,197	1,214
Restricted cash	12	300	42,648
Cash at bank		126,130	137,235
		898,600	545,647
Creditors – amounts falling due within one year	14	(11,606)	(8,702)
Net current assets		886,994	536,945
Total assets less current liabilities		1,304,743	1,209,822
Creditors – amounts falling due after more than one year	15	(684,800)	(562,118)
Net assets		619,943	647,704
Capital and reserves			
Called up share capital	16	70,900	70,900
Share premium account	17	19,100	19,100
Capital contribution	17	993	700
Profit and loss account	17	528,950	557,004
Total shareholders' funds		619,943	647,704

The notes form an integral part of these financial statements.

The financial statements on pages 8 to 21 were approved by the Board of Directors on 28 March 2014 and were signed on its behalf by:



M D Ball
Director

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

1. Accounting Policies

General information

Travelex Holdings Limited is the Company's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The registered office and principal place of business is 65 Kingsway, London, WC2B 6TD.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The financial statements contain information about Travelex Limited as an individual company. The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Travelex Holdings Limited, a company incorporated in the UK.

The accounting policies set out below have, unless otherwise stated been applied consistently to all years presented in these financial statements. The Company accounting policies dealing with material items are set out below.

Related parties

The Company has an exemption under FRS 8 'Related Parties' in respect of wholly owned subsidiaries and has made disclosures in respect of those which are not wholly owned:

Cash flow statement

No cash flow statement has been prepared as the Company is exempt from the requirement of Financial Reporting Standard 1 (Revised 1996) 'Cash flow statements', to include a cash flow statement in its financial statements because it is a wholly owned subsidiary of Travelex Holdings Limited whose publicly available consolidated financial statements include the cash flows of the company.

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.

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

1. Accounting Policies (continued)

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 company's consolidated financial statements include a full disclosure and are publicly available (see note 21).

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% per annum
Motor vehicles	25% 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.

Travellex Limited
Notes to financial statements
for the year ended 31 December 2013

1. Accounting policies (continued)

Deferred taxation

In accordance with FRS 19, 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.

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 share based remuneration awards made by the ultimate parent company on behalf of the entity for services provided to the entity were previously equity settled. These payments to employees and others providing similar services are measured at the fair value of the award at the date of grant. The Group is required to make an assessment of the initial fair value of the award. In the process of measuring fair value management makes assumptions about future profits and discount rates.

The settlement method of the scheme was changed from equity to cash following the cash settlement of some of the M Shares during 2011. The Directors of the ultimate parent company estimated the fair value of the scheme at the point of transfer based on the period which has already vested and this amount was recognised as a liability at the date of change of settlement method. Subsequently the fair value of the liability is reassessed based on the expected vesting period, projected cash flows and other factors. Any change in the fair value at the end of the period is reflected in the income statement.

The value of the awards in relation to services provided by the Directors/employees to the Company is treated as a capital contribution from the ultimate parent company.

Derivative financial instruments

The Company utilises financial instruments to manage its exposure to fluctuations in exchange and interest rates. The Company 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 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.

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

1. Accounting Policies (continued)

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 29 paragraph 2d from the disclosure requirements of FRS 29.

Leases

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

Finance leases held are in respect of ATM machines located overseas. These leases are reported within the balance sheet, split by the current and non-current element. The finance costs incurred in the year are charged to the profit and loss.

Pension costs

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

Segmental Reporting

Under SSAP 25, the Company is exempt from the requirement to present segmental analysis.

Interest receivable and payable

Interest receivable and payable is recognised in the profit and loss account 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.

2. Exceptional items

Operating exceptional items

£'000	2013	2012
Project bonus	163	(37)
Project costs	4,357	5,326
	4,520	5,289

Project costs relate mainly to costs associated with a reorganisation initiative including redundancy costs, principally redundancy/severance, as well as the restructure of the Travelex Group's Travellers' Cheques business.

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

3. (Loss)/Profit on ordinary activities before interest and taxation

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

£'000	2013	2012
Income from the recharge of central services	(28,057)	(26,848)
Depreciation of owned tangible assets	153	113
Operating lease rental	1,185	1,170
Loss/(profit) on disposal of fixed assets	-	62
Exchange Loss	6	18

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 being £390,000 (2012: £237,000).

4. Interest payable and similar charges

£'000	2013	2012
Bank loans and overdrafts	72	81
Interest payable to group undertakings	44,183	47,290
	44,255	47,371

5. Interest receivable and similar income

£'000	2013	2012
Bank interest	443	946
Interest receivable from group undertakings	20,766	21,810
	21,209	22,756

6. Employees and Directors

All employees of the Travelex Group are employed by Travelex UK Limited, a fellow group undertaking. The Company incurs the cost for the employees disclosed below that carry out services for the Company.

The monthly average number of employees engaged in providing services to the Company, calculated on a full time equivalent basis, analysed by business area was:

Monthly Average number of employees

Number	2013	2012
Group support functions	145	126

Employee costs

£'000	2013	2012
Wages and salaries	20,745	14,746
Share based employee remuneration	293	158
Social security costs	1,182	1,101
Other pension costs	535	473
	22,755	16,478

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

6. Employees and directors (continued)

On 20 July 2010 100,000 M ordinary shares were issued in Travelex Holdings Limited, the ultimate parent company, with a nominal value of £0.01 each to senior management and certain non-executive directors at a price of £5.00 per share. 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.

These shares are held in beneficial ownership in Trust. They are expected to vest in October 2014 (2012: October 2014) at which date the ultimate parent company estimates that the shares will realise value. The shares have been valued using the discounted cash flow model using a long term growth rate assumption of 2% and debt discounted rate.

The ultimate parent company estimates the fair value of the obligation related to the remaining shares to the entity to be £759,034 (2012: £722,944). Accordingly, there is a charge and capital contribution of £292,622 (2012: £157,718) recognised in the current year.

The Group has no legal obligation to repurchase these shares.

Directors' emoluments

£'000	2013	2012
Aggregate emoluments	138	125
Share based remuneration	264	92
Pension contributions	10	13
	412	230

The amounts above relate to emoluments in respect of four Directors (2012: 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.

Four Directors have benefits accruing under defined contribution pension arrangements (2012: four). The emoluments of the highest paid Director were £328,375 (2012: £160,579) and company contributions to defined contribution pension arrangements were £7,600 (2012: £10,000).

7. Tax on (loss)/profit from ordinary activities

Analysis of charge in the period:

£'000	2013	2012
Current tax		
Current tax credit on current year loss	(6,982)	(1,442)
Adjustment in respect of prior periods	(607)	290
Total current tax charge/(credit)	(7,589)	(1,152)
Deferred tax		
Deferred tax charge	-	2,121
Adjustment to deferred tax in respect of prior periods	-	(296)
Total deferred tax	-	1,825
Tax charge/(credit) for the year	(7,589)	673

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

7. Tax on (loss)/profit from ordinary activities (continued)

The current tax credit for the year is lower (2012: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

£'000	2013	2012
Loss on ordinary activities before tax	(35,643)	(37,708)
Loss multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(8,287)	(9,238)
Effects of:		
Expenses not deductible for tax purposes	471	290
Depreciation in excess of capital allowance not recognised	35	43
Other timing differences	13	167
Impairment not deductible	69,038	13,432
(Utilisation of losses) / Carry forward of current year losses	-	4,842
Dividend income (non-taxable)	(68,252)	(10,978)
Adjustments in respect of prior period	(607)	290
Current tax credit	(7,589)	(1,152)

The standard rate of Corporation Tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 23.25%.

8. Investments

£'000	
Cost	
At 1 January 2013	825,241
Additions	41,781
At 31 December 2013	867,022
Impairment	
At 1 January 2013	153,086
Additions	296,938
At 31 December 2013	450,024
Net book value	
At 31 December 2013	416,998
At 31 December 2012	672,155

During the year the Company increased its existing investment in subsidiaries within the Travelex Group for a total consideration of £41,780,922 (2012: £63,801,000).

The Company recorded an impairment charge of £296,938,000 (2012: £54,619,000) in the year against its investments.

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 2013

8. Investments (continued)

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

Name	Country of incorporation
Travelex SA/NV	Belgium
Travelex Canada Limited	Canada
Travelex Agency Services Limited	England and Wales
Travelex Banknotes Limited	England and Wales
Travelex Global and Financial Services Limited (84% owned)	England and Wales
Travelex Currency Services Limited	England and Wales
Travelex Consumer Payments Limited	England and Wales
Travelex Property Services Ltd (UK)	England and Wales
Travellers Exchange Corporation Limited	England and Wales
Travelex Central Services Limited	England and Wales
Travelex Foreign Coin Services Limited	England and Wales
Travelex UK Limited	England and Wales
Travelex Group Investments Limited	England and Wales
Travelex Italia Limited	England and Wales
Travelex France Holdings Limited	England and Wales
GWK Travelex NV	The Netherlands
Travelex Czech Republic as	Czech Republic
Travelex Deutschland GmbH	Germany
Travelex Nederland Holdings BV	The Netherlands
Travelex Services Inc (US)	USA
OOO Travelex (Russia)	Russia
Travelex Japan KK	Japan
Travelex Representative Office Nigeria Limited	Nigeria
Travelex Retail Nigeria Limited	Nigeria
Travelex Switzerland AG	Switzerland
Travelex Bahrain WLL (75% owned)	Bahrain
Travelex India Private Limited	India
Travelex Holding (HK) Limited	Hong Kong
Travelex Holding (S) PTE Limited	Singapore
Travelex Emirates LLC (49% owned)	UAE
Travelex & Co LLC (Oman) (70% owned)	Oman
FX Africa foreign Exchange (Pty) Ltd (49% owned)	South Africa
US Deposits Holdings LLC (39% owned)	USA
Travelex Malaysia SDN BHD (70% owned)	Malaysia
PT Travelex Indonesia Ltd	Indonesia
Travelex Financial Services NZ Ltd	New Zealand
Travelex Qatar (49% owned)	Qatar
Travellers Cheques Encashment Services Ltd	England and Wales
South American Card Services Ltd	Brazil
Travelex Do Brasil Holding Societaria Ltd	Brazil
US Deposits LLC	USA
Travelex Panama S.A	Panama

Travelex Limited
Notes to financial statements
for the year ended 31 December 2013

9. Tangible assets

£'000	Assets under construction	Fixtures and Fittings	Computer hardware and software	Total
Cost				
At 1 January 2013	96	524	3,665	4,285
Additions	84	-	3	87
Disposals	-	-	(298)	(298)
Reclassification	48	-	47	95
At 31 December 2013	228	524	3,417	4,169
Accumulated Depreciation				
At 1 January 2013	-	91	3,472	3,563
Charge for the year	-	50	103	153
Disposals	-	-	(298)	(298)
At 31 December 2013	-	141	3,277	3,418
Net book value				
At 31 December 2013	228	383	140	751
At 31 December 2012	96	433	193	722

The disposals in the year reflect the write off of both obsolete and nil net book value assets which have been disposed of by the Company. Any loss on disposal which has arisen has been charged to the profit and loss account in the year.

10. Deferred taxation

£'000	2013	2012
At 1 January	-	1,825
Charge to the profit and loss account	-	(1,825)
Total deferred tax asset	-	-

The rate used to calculate deferred taxation is 20% (2012: 23%).

Unrecognised deferred tax balances have been disclosed below at 20% to reflect reduction of corporation tax rate from 23% to 21% with effect on 1 April 2014. A further reduction from 21% to 20% will apply with effect on 1 April 2015. The rate reductions were substantively enacted in Finance Act 2013 on 17 July 2013.

There are £15,348,000 (2012: £19,652,000) unrecognised deferred tax assets relating to unused tax losses of £14,257,000 (2012: £17,512,000), short term timing differences of £285,000 (2012: £1,254,000) and accelerated capital allowances of £807,000 (2012: £886,000).

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11. Debtors

£'000	2013	2012
Amounts due from subsidiary undertakings	150,038	111,894
Amounts due from parent undertakings	605,475	248,727
Other debtors	3,307	2,096
Prepayments and accrued income	3,412	681
Group Relief receivable	8,741	1,152
	770,973	364,550

Interest is charged on certain amounts due from group undertakings at an average rate of LIBOR plus 2.5%. The loans are unsecured and repayable on demand. 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.

12. Restricted cash

£'000	2013	2012
Current		
Amount held in escrow	300	42,648

Current restricted cash of £300,000 (2012: £42,648,000) relates to cash held in escrow relating to the sale of the Global Business Payment business.

13. Derivative financial instruments

£'000	2013	2012
Derivative financial assets: amounts due from external counterparties	1,197	1,214
	1,197	1,214

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 derivative 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.

14. Creditors - amounts falling due within one year

£'000	2013	2012
Other creditors	2,553	2,816
Obligation under finance lease	-	35
Accruals and deferred income	9,053	5,851
	11,606	8,702

During 2010, Travelex Limited entered into a finance lease in respect of ATM machines held overseas. The remaining obligation outstanding as at December 2013 is £nil (2012: £35,000).

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15. Creditors – amounts falling due after more than one year

£'000	2013	2012
Amounts owed to subsidiary undertakings	659,674	549,974
Amounts owed to parent undertakings	25,126	12,144
	684,800	562,118

An amount of £41,078,000 (2012: £312,442,000) bearing interest at 12.7% (2012:12.7%) 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 2.5%.

16. Called up share capital

	2013 number	£'000	2012 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.

17. Retained earnings

£'000	Called up Share Capital	Share premium account	Profit and Loss account	Capital Contribution	Total Shareholder Funds
At 1 January 2013	70,900	19,100	557,004	700	647,704
Loss for the year	-	-	(28,054)	-	(28,054)
Capital contribution	-	-	-	293	293
At 31 December 2013	70,900	19,100	528,950	993	619,943

18. Operating leases

The Company's future annual commitments under non-cancellable operating leases for land and buildings are as follows:

£000's	2013 Land and buildings	2012 Land and buildings
Due within one year	936	902
Due between one and five years	236	1,164
	1,172	2,066

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19. Related party transactions

In accordance with FRS 8, the Company has taken advantage of the exemption from the requirements to disclose transactions with wholly owned subsidiaries within the Group. The consolidated financial statements of the Group are publicly available. All the transactions, unless stated below, were entered into with wholly owned subsidiaries within the Group.

Details of balances with subsidiaries and joint ventures which are less than 100% are shown below.

A capital contribution by Travelex Holdings Limited, the ultimate parent company of £292,622 (2012: £157,718) 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 6.

Company	Percentage Holding	2013 (£000's)	
		Payable	Receivable
Travelex Global & Financial Services	84%	41,078	-
FX-Africa Foreign Exchange (Pty) Limited	49%	-	1,225
Travelex & CO LLC (Oman)	70%	168	-
		41,246	1,225

20. Contingent liabilities

On 1 June 2012 TP Financing 4 Limited, an intermediate holding company, repaid all of its liabilities under the abovementioned facilities which were then terminated. On the same date, TP Financing 4 Limited and its subsidiaries arranged a £125.0m package of facilities to finance the Travelex Group's ongoing cash flow requirements. Travelex 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 2012 was £78.2m.

On 1 August 2013, TP Financing 4 Limited repaid all of its liabilities under the abovementioned facility, which was then terminated. On the same date, TP Financing 3 Limited and its subsidiaries arranged a £90m package of facilities to finance the Travelex Group's ongoing cash flow requirements until 2018. Travelex 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 2013 was £28.4m.

On 1 August 2013, Travelex Financing Plc raised £350m of high yield notes due 2018, the proceeds of which were used to repay existing external debt which was nearing term. Travelex Limited is also a guarantor in respect of this arrangement. The balance outstanding at 31 December 2013, including accrued interest, was £358.3m.

21. Ultimate and intermediate parent undertakings

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

The ultimate parent undertaking and controlling party is Travelex Holdings Limited, a company incorporated in England and Wales, which is the smallest and largest group of which the results of the Company are consolidated. Copies of these consolidated financial statements can be obtained from 65 Kingsway, London, WC2B 6TD.

22. Profit on disposal of investment

£'000	2013	2012
Profit on disposal of investment	-	833
	-	833