

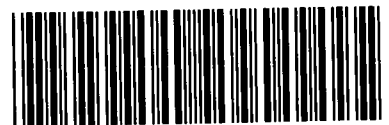


Company registration number: 04001915

## **Travelex Limited**

Report and financial statements  
for the year ended 31 December 2018

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**Travelex Limited**  
**Corporate information**

**Directors**

J E S Birch  
A D'Souza  
R Suckling

**Secretary**

E Loi	Resigned 17 August 2018
V Benis-Lonsdale	Appointed 17 August 2018

**Auditors**

Ernst & Young LLP  
25 Churchill Place  
London  
E14 5EY

**Bankers**

Barclays Bank plc  
One Churchill Place  
Canary Wharf  
London  
E14 5HP

**Registered Office**

4th Floor  
Kings Place  
90 York Way  
London  
N1 9AG

**Travelex Limited**  
**Strategic report**  
For the year ended 31 December 2018

The Directors present their strategic report of Travelex Limited (the Company) for the year ended 31 December 2018.

**Principal activities**

The Company is an intermediate holding company and undertakes central services on behalf of Travelex Holdings Limited and its subsidiaries (the 'Group') based predominantly in Europe, Middle East and Africa. 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 continued to maintain strict control over its cost base. 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 Group and trading levels have been maintained despite difficult market conditions.

**Results and dividends**

The Company's loss for the financial year is £63.6m (2017: loss of £36.1m). The statement of comprehensive income 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 2018 of £150.5m (2017: £214.1m). No interim dividends were declared during the year and the Directors do not recommend the payment of a final dividend (2017: £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 net foreign exchange exposure is in Australian 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.

In 2017, Travelex Financing plc raised a €360m Euro denominated bond. As a result, increased the Travelex Limited's exposure to Euro. The impact of Euro vs Sterling fluctuation is limited to non-cash movement in the income statement. Travelex Limited continues to monitor this impact to take appropriate risk management decisions closer to the maturity date of the bond.

*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.

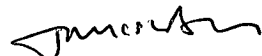
**Travelex Limited**  
**Strategic report (continued)**  
For the year ended 31 December 2018

*Credit risk (continued)*

Investments with external counterparties and short term money market deposits held with banks and other financial institutions 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.

The Company has leases with external third party tenants relating to the Worldwide House property and is therefore exposed to credit risk arising from the failure of counterparties to meet their lease obligations.

By order of the Board



**J Birch**

**Director**

18 September 2019

**Registered office**

4<sup>th</sup> floor  
Kings Place  
90 York Way  
London  
N1 9AG

**Company Registration Number**  
04001915

**Travelex Limited**  
**Directors' report**  
For the year ended 31 December 2018

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2018.

**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  
A D'Souza  
R Suckling

**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.

**Post balance sheet events**

Post balance sheet events are disclosed in Note 23.

**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 (2017: £nil).

**Travelex Limited**  
**Directors' report (continued)**  
For the year ended 31 December 2018

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 in 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;
- Present information, including accounting policies, in a manner that gives relevant, reliable, comparable and understandable information;
- Give additional disclosures when complying with the specific requirements in United Kingdom Accounting Standards isn't enough to let users understand the impact of particular transactions, other events and Conditions on the Company's financial position and performance.

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.

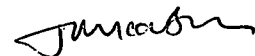
**Statement of disclosure of information to auditors**

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 (pursuant to Section 489 of the Companies Act 2006) during the course of the year.

By order of the Board



**J Birch**  
**Director**

18 September 2019

**Registered office**  
4<sup>th</sup> 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 2018

**Opinion**

We have audited the financial statements of Travelex Limited for the year ended 31 December 2018 which comprise Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.



**Travelex Limited**  
**Independent Auditors' Report to the members of**  
**Travelex Ltd (continued)**  
For the year ended 31 December 2018

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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.



**Hitesh Patel**

**for and on behalf of Ernst & Young LLP, Statutory Auditor**

**London**

**19<sup>th</sup> September 2019**

**Travelex Limited**  
**Statement of Comprehensive Income**  
For the year ended 31 December 2018

<b>£'000</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
Revenue		<b>25,256</b>	19,955
Operating expenses		<b>(44,316)</b>	(38,504)
Exceptional items and non-underlying adjustments	3	<b>(87,170)</b>	(44,424)
<b>Operating loss</b>		<b>(106,230)</b>	(62,973)
Dividend income from fixed assets investments		<b>54,476</b>	56,333
<b>Loss on ordinary activities before interest and taxation</b>		<b>(51,754)</b>	(6,640)
Interest receivable and similar income	6	<b>24,877</b>	24,485
Interest payable and similar charges	5	<b>(36,822)</b>	(54,132)
<b>Loss on ordinary activities before tax</b>		<b>(63,699)</b>	(36,287)
Tax credit on ordinary activities	8	<b>136</b>	215
<b>Loss for the financial year</b>		<b>(63,563)</b>	(36,072)

The notes on pages 11 to 26 form an integral part of these financial statements.

**Travelex Limited**  
**Statement of financial position**  
As at 31 December 2018

£'000	Note	2018	2017
<b>Fixed assets</b>			
Investments	10	463,419	472,338
Intangible assets	11	19,300	14,819
Tangible assets	12	1,328	1,620
		<b>484,047</b>	<b>488,777</b>
<b>Current Assets</b>			
Debtors – amounts falling due within one year	13	242,538	532,347
Derivative financial instruments	14	1,831	1,180
Cash at bank		20,645	11,732
		<b>265,014</b>	<b>545,259</b>
<b>Current Liabilities</b>			
Derivative financial instruments	14	(1,291)	(403)
Creditors – amounts falling due within one year	16	(597,273)	(817,541)
Provisions for liabilities	17	-	(2,032)
<b>Net current liabilities</b>		<b>(333,550)</b>	<b>(274,717)</b>
<b>Total assets less current liabilities</b>		<b>150,497</b>	<b>214,060</b>
<b>Net assets</b>		<b>150,497</b>	<b>214,060</b>
<b>Capital and reserves</b>			
Called up share capital	18	70,900	70,900
Share premium account		19,100	19,100
Capital reserve		993	993
Profit and loss account		59,504	123,067
<b>Total shareholders' funds</b>		<b>150,497</b>	<b>214,060</b>

The notes on pages 11 to 26 form an integral part of these financial statements.

The financial statements on pages 8 to 26 were approved by the Board of Directors on 18 September 2019 and were signed on its behalf by:

  
**J Birch**  
**Director**

**Travelex Limited**  
**Statement of Changes in Equity**  
As at 31 December 2018

<b>£000's</b>	<b>Called up share capital and share premium account</b>	<b>Capital reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
At 1 January 2017	90,000	993	458,537	549,530
Comprehensive loss for the year	-	-	(36,072)	(36,072)
Capitalisation of intercompany receivable	-	-	(477,474)	(477,474)
Capitalisation of intercompany payable	-	-	164,856	164,856
Novation of corporation tax obligations	-	-	13,220	13,220
At 31 December 2017	90,000	993	123,067	214,060
Comprehensive loss for the year	-	-	(63,563)	(63,563)
<b>At 31 December 2018</b>	<b>90,000</b>	<b>993</b>	<b>59,504</b>	<b>150,497</b>

The notes on pages 11 to 26 form an integral part of these financial statements.

**Travelex Limited**  
**Notes to financial statements**  
For the year ended 31 December 2018

**1. Accounting Policies**

**General information**

Travelex Limited is a Company incorporated in the United Kingdom under the Companies Act. The registered office and principal place of business is 4th Floor, Kings Place, 90 York Way, London, N1 9AG. The Company's ultimate parent was BRS Investment Holdings 1 Limited, a private limited company incorporated in the UAE.

**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.

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.

**Standards, amendments and interpretations to existing standards which are not yet effective or early adopted by the Company**

The Financial Reporting Council (FRC) has published clarifications and incremental improvements to (FRS) 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The effective date of the amendments is for accounting periods starting on or after 01 January 2019.

The main amendments relate to the following sections of the standard:

- Investment property in a group. An accounting policy choice is given in Section 16 Investment property in paragraph 16.4A, which allows groups which let property out to other group members to account either at fair value through profit or loss or under the cost model in Section 17 Property, Plant and Equipment. This choice should ease the burden of obtaining the fair value of investment properties and returns the same accounting treatment as under the old FRSE if a majority of the group go for the latter option.
- Director's loans. In May 2017, the FRC granted an interim relief for small companies whose director-shareholders, or a close family member, have provided the company with a loan at below market rates of interest or at zero rates of interest. The relief is not available if the loans are provided by the small company to a director-shareholder.
- Intangible asset recognition. Recognition criteria of intangible assets changed from those proposed in FRED 67 by introducing new conditions which have to be met in paragraph 18.8 of FRS 102. Companies will be able to recognise fewer intangible assets that are acquired in a business combination separately from goodwill.

The above sections of (FRS) 102 are not applicable to the Company and therefore the Company does not expect any impact on its financial statements.

**Revenue recognition**

Revenue is measured at the fair value of the consideration receivable net of sales tax. Revenue includes amounts invoiced to lessees, net of sales taxes, in respect of rent and associated services. Rental income is accrued by reference to the relevant agreements.

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

**1. Accounting Policies (continued)**

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 at the point at which costs due to be recharged are incurred.

**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. The consolidated financial statements of the Group include a full disclosure on financial assets and liabilities and are publicly available.

**Derivative financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value (fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date). Derivative financial assets and liabilities are carried at fair value based on quoted prices in an active market where available and are reported within amounts due from/ (owed to) Group undertakings.

**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.

**Intangible assets**

Computer software comprises off the shelf packages, modified to meet the Company's requirements, software developed in - house, including the development of the in - house digital capabilities, and software purchased as part of business combinations. Internal and external costs are capitalised to the extent that they are directly attributable to the development of modified software provided they meet the recognition criteria under FRS 102.

Capitalised costs are amortised on a straight line basis over the estimated useful lives of the assets concerned using the following rates:

Computer software (including software developed in - house)    10 – 33.3% per annum

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

**1. Accounting Policies (continued)**

**Tangible 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 – 33.3% per annum
Leasehold Buildings	over the lease term

**Fixed asset investments**

Fixed asset investments are stated at cost less accumulated impairment losses.

**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 date of the statement of financial position.

**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 date of the statement of financial position are translated at the rates ruling at that date, with differences arising on translation recorded in the statement of comprehensive income. All other exchange gains and losses, which arise from normal trading activities, are included in the statement of comprehensive income as incurred.

**Cash at bank and in hand**

Cash at bank and in hand in the statement of financial position 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.

**Derivative financial instruments**

The Company utilises financial instruments to manage its exposure to fluctuations in exchange and interest rates. The 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 statement of financial position, 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 (continued)**  
For the year ended 31 December 2018

**1. Accounting Policies (continued)**

Derivative financial instruments are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The instrument is derecognised from the statement of financial position 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 statement of comprehensive income. 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 statement of comprehensive income on a straight line basis over the lease term.

**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 performance.

**Pension costs**

Contributions to the Group's defined contribution pension schemes are charged to the statement of comprehensive income as incurred.

**Interest receivable and payable**

Interest receivable and payable is recognised as interest receivable and similar income or interest payable and similar charges in the statement of comprehensive income using the effective interest rate method and is 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. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with FRS 102 requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results may be different.

*Estimates*

The key sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:

- The measurement of the provision for corporation taxes: The Company recognises liabilities for the estimated tax charge at the period end. Where the final tax liability is different from that estimate such differences are reflected in the period in which such determination is made. Income tax provisions are recognised on the basis that the relevant tax authorities are fully aware of any situations giving rise to uncertainty.



**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

**2. Critical accounting judgements and key sources of estimation uncertainty (continued)**

*Judgements*

Key judgements applied in determining the reported amounts and disclosures in these financial statements are:

- The recognition of deferred tax assets: as of 31 December 2018 a deferred tax asset has been recognised on the basis of an assessment of the probability of future taxable income in which deferred tax assets can be utilised, based on the Company's latest budget forecasts. The recognition of deferred tax assets have been assessed for legal or economic limits or uncertainties individually by the directors based on the specific facts and circumstances of the Company. See Note 9.
- The likelihood of being required to pay amounts with respect to Contingent liabilities: The Company has disclosed contingent liabilities which, in the opinion of the directors, the likelihood of being required to be paid are considered to be remote. See Note 21.
- Intangible assets: intangible assets are capitalised in accordance with the accounting policy given above. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a project development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.
- In the period ended 31 December 2018, indicators of impairment for Travelex Limited's investment in subsidiaries balance were identified following an internal review of the reported net assets and forecast performance of its subsidiaries. To determine whether the recoverable amount of an investment was less than the carrying amount, a comparison was made between the recoverable amount of the investment and the value of the investment held by Travelex Limited (the carrying amount). To determine the recoverable amount for each subsidiary the net assets as at 31 December 2018 and the forecast profitability were considered together for each subsidiary in order to determine a future net assets value. This value was used for the recoverable amount. If an investment had a recoverable amount that was less than the carrying amount, an impairment loss was recorded to bring the carrying amount of the investment down to its recoverable amount.

**3. Exceptional items and non-underlying adjustments**

<b>£'000</b>	<b>2018</b>	<b>2017</b>
<b>Exceptional Items:</b>		
Net gain on acquisitions and disposals <sup>1</sup>	<b>1,116</b>	2,098
	<b>1,116</b>	2,098
<b>Non-underlying adjustments:</b>		
Global reorganisation costs and corporate projects <sup>2</sup>	<b>(1,850)</b>	(4,110)
Refinancing related costs <sup>3</sup>	-	(100)
Residual gain on disposal of Global Payment business <sup>4</sup>	-	1,059
Other impairments <sup>5</sup>	<b>(86,436)</b>	(43,371)
	<b>(88,286)</b>	(46,522)
<b>Exceptional items and non-underlying adjustments</b>	<b>(87,170)</b>	(44,424)

1. Additional consideration on sale of business to Western Union in 2011 due to tax losses. A fair value gain of £2.1m in 2017 was recognised on the step-acquisition of Travelex Africa Foreign Exchange Proprietary Limited.

**Travelex Limited****Notes to financial statements (continued)**

For the year ended 31 December 2018

2. Costs associated with global reorganisation initiatives, principally redundancy costs, costs associated with corporate transactions and efficiency projects.
3. Legal and professional fees in 2017 associated with the refinancing of the senior secured notes held by the Group.
4. Residual gain in 2017 related to the sale of the global payments business to Western Union in 2011.
5. In 2018, the Company impaired a total of £86.5m of investments in Travelex Holdings (HK) Ltd (£51.1m), Travelex do Brazil Holding Ltd (£31.2m) and Travelex Europe Ltd (£4.2m). Costs in 2017 primarily associated with the liquidation of US Deposits Holdings LLC and US Deposits LLC.

**4. Profit on ordinary activities before interest and taxation**

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

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Income from the recharge of central services	<b>(25,256)</b>	(19,955)
Depreciation of tangible fixed assets	<b>363</b>	371
Amortisation of intangible fixed assets	<b>3,154</b>	1,949
Operating lease rental	<b>1,871</b>	1,880

**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 £35,000 (2017: £21,500)

**5. Interest payable and similar charges**

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Bank loans and overdrafts	<b>581</b>	350
Interest payable to group undertakings	<b>36,241</b>	53,044
Finance costs on refinancing	-	738
	<b>36,822</b>	54,132

**6. Interest receivable and similar income**

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Bank interest	<b>90</b>	265
Foreign Exchange gains (net)	-	1,301
Interest receivable from group undertakings	<b>24,605</b>	22,919
Other interest receivable	<b>182</b>	
	<b>24,877</b>	24,485

**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**

<b>Number</b>	<b>2018</b>	<b>2017</b>
Group support functions	<b>229</b>	230

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

**Employee costs**

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Wages and salaries	<b>25,643</b>	20,549
Social security costs	<b>2,186</b>	2,108
Other pension costs	<b>611</b>	503
	<b>28,440</b>	23,160

**Directors' emoluments**

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Aggregate emoluments	<b>132</b>	162
Company contributions to defined contribution schemes	<b>2</b>	1
	<b>134</b>	163

The amounts above relate to emoluments in respect of three Directors (2017: 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.

One Director has benefits accruing under defined contribution pension arrangements (2017: one). The emoluments of the highest paid Director were £59,735 (2017: £70,093) and Company contributions to defined contribution pension arrangements were £2,250 (2017: £1,000).

**8. Tax on loss on ordinary activities**

Analysis of charge in the period:

<b>£'000</b>	<b>2018</b>	<b>2017</b>
<b>Current tax</b>		
Current tax credit on current year profit	<b>(785)</b>	(1,423)
Adjustments in respect of prior periods	<b>649</b>	1,208
<b>Total tax (credit)</b>	<b>(136)</b>	(215)

The standard rate of Corporation Tax in the UK is 19% which came into effect from 1 April 2017. Accordingly the Company's losses for this accounting period are taxed at 19% (2017: 19.25%).

The total tax credit for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Loss on ordinary activities before tax	<b>(63,699)</b>	(36,287)
Loss on ordinary activities multiplied by standard rate of UK corporation tax in the UK of 19 % (2017: 19.25%)	<b>(12,103)</b>	(6,985)
Effects of:		
Expenses not deductible for tax purposes	<b>3,351</b>	10,777
Non-deductible Finance Costs	<b>1,786</b>	1,164
Profit on sale of business not taxable	<b>(212)</b>	-
Depreciation in excess of capital allowance not recognised	<b>666</b>	351
Short term timing differences not recognised	<b>(452)</b>	(384)
Non-deductible impairment of investments	<b>16,423</b>	-
Inter-company loan waiver non-deductible	<b>106</b>	-
Carry forward of current year losses / (Utilisation of tax losses)	-	4,498
Dividend income (non-taxable)	<b>(10,350)</b>	(10,844)
Adjustments in respect of prior periods	<b>649</b>	1,208
<b>Total tax (credit)</b>	<b>(136)</b>	(215)

## 9. Deferred taxation

There are £21.6m (2017: £17.2m) unrecognised deferred tax assets relating to unused tax losses of £16.0m (2017: £16.5m), short term timing differences of £4.3m (2017: £0.4m) and accelerated capital allowances of £1.3m (2017: £0.2m).

The rate used to calculate deferred taxation is 17%, reflecting the rate of corporation tax expected to be in effect during the periods in which the temporary differences reverse.

## 10. Investments

<b>£'000</b>	
Cost	
At 1 January 2018	1,034,743
Additions	77,711
Disposal	(194)
<b>At 31 December 2018</b>	<b>1,112,260</b>
Accumulated Impairment	
At 1 January 2018	562,405
Charge for the year	86,436
<b>At 31 December 2018</b>	<b>648,841</b>
Net book value	
<b>At 31 December 2018</b>	<b>463,419</b>
At 31 December 2017	472,338

During the year, the Company increased its investment in Travelex Holdings (HK) Ltd for total consideration of £73.3m and Travelex Holdings (S) Pte Ltd for total consideration of £4.4m. Also there was a capital reduction in the investment in Travelex Panama SA of £0.2m. In 2018, the Company subsequently impaired a total of £86.5m of investments in Travelex Holdings (HK) Ltd (£51.1m), Travelex do Brazil Holding Ltd (£31.2m) and Travelex Europe Ltd (£4.2m).

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

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

**10. Investments (continued)**

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

<b>Name</b>	<b>Principal Activity</b>	<b>Country of incorporation</b>
Travelex Group Investments Limited	Intermediate holding company	England and Wales
Travelex Do Brasil Holding Financeira Ltda	Intermediate holding company	Brazil
GC Solution Gestao Administrativa LTDA	Administrative Advising	Brazil
Tihum Tecnologia LTDA	IT Consulting and Services	Brazil
Confidence Corretora De Cambio S.A.	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Banco Confidence De Cambio S.A	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Confidence Turismo S.A.	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Renova Servicos Auxilliares em Operacoes Internacionais Limited	Sale of foreign currency banknotes and other foreign exchange products	Brazil
Travelex Canada Limited	Sale of foreign currency banknotes and other foreign exchange products	Canada
Travelex UK Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales
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
Interpayment Services Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	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 Central Services Limited	Provision of central services to subsidiary companies	England and Wales
Travelex Foreign Coin Services Limited	Provision of services for the handling of foreign coins	England and Wales
Travelex Italia Limited	Sale of foreign currency banknotes and other foreign exchange products	England and Wales

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

**10. Investments (continued)**

<b>Name</b>	<b>Principal Activity</b>	<b>Country of incorporation</b>
Travelex Limited	Sale of foreign currency banknotes and other foreign exchange products	Australia
Travellers Exchange Corporation Limited	Dormant	England and Wales
Travelex Property Services Limited	Dormant	England and Wales
Travelex Deutschland GmbH	Sale of foreign currency banknotes and other foreign exchange products	Germany
Travelex SA/NV	Sale of foreign currency banknotes and other foreign exchange products	Belgium
Travelex Czech Republic as	Sale of foreign currency banknotes and other foreign exchange products	Czech Republic
Travelex Switzerland AG	Sale of foreign currency banknotes and other foreign exchange products	Switzerland
Travelex Financial Services NZ Limited	Sale of foreign currency banknotes and other foreign exchange products	New Zealand
Travelex Malaysia SDN. BHD (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Malaysia
Travelex Poland SP z.o.o.	In the process of being liquidated	Poland
Travelex Doviz Ticaret Anonim Sirketi (75% owned)	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travelex Ankara Doviz Ticareti A.S.	Sale of foreign currency banknotes and other foreign exchange products	Turkey
Travelex France Holdings Limited	Dormant	England and Wales
Travelex Holding (S) Pte Limited	Sale of foreign currency banknotes and other foreign exchange products	Singapore
Travelex Holding (HK) Limited	Intermediate holding company	Hong Kong
Travelex Currency Exchange Limited	Sale of foreign currency banknotes and other foreign exchange products	Hong Kong
Travelex Card Services Limited	Issuance of prepaid cards	Hong Kong
South American Card Services Ltda	Issuance of prepaid cards	Brazil
Travelex Panama SA (60% owned)	Sale of foreign currency banknotes and other foreign exchange products	Panama
Travelex Currency Exchange (China) Limited	Sale of foreign currency banknotes and other foreign exchange products	China
Travelex SMI Technologies (Beijing) Limited	Dormant	China
PT Travelex Indonesia Limited (90% owned)	In the process of being liquidated	Indonesia
Travelex NV	Sale of foreign currency banknotes and other foreign exchange products	The Netherlands
Travelex Japan KK	Sale of foreign currency banknotes and other foreign exchange products	Japan
Travelex India Private Limited	Sale of foreign currency banknotes and other foreign exchange products	India
Travelex Bahrain WLL (75% owned)	Sale of foreign currency banknotes and other foreign exchange products	Bahrain
Travelex and Co LLC (70% owned)	Sale of foreign currency banknotes and other foreign exchange products	Oman
Travelex Qatar Q.S.C. (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	Qatar

**Travelex Limited**  
**Notes to financial statements (continued)**  
For the year ended 31 December 2018

**10. Investments (continued)**

<b>Name</b>	<b>Principal Activity</b>	<b>Country of incorporation</b>
Travelex Emirates Exchange LLC (40% owned)	Sale of foreign currency banknotes and other foreign exchange products	UAE
Travelex Retail Nigeria Limited	Sale of foreign currency banknotes and other foreign exchange products	Nigeria
Travelex Representative Office Nigeria Limited	Representative office for the wholesale business	Nigeria
Travelex Africa Foreign Exchange (Pty) Limited	Sale of foreign currency banknotes and other foreign exchange products	South Africa
Travelex America Holdings Inc.	Intermediate holding company	USA
Travelex America Inc.	Intermediate holding company	USA
Travelex Australia Holdings Pty Limited	Intermediate holding company	Australia
Travelex NY Inc.	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
TCI US LLC	Issuance of prepaid cards and management of encashment of travellers' cheques	USA
Travelex Rand Travellers Cheques Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Euro Travellers Cheque Nederland Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Travelex Financial Services Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	England and Wales
Hong Kong and Shanghai Travelex Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Hong Kong
Interpayment Australia Pty Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travelex TC Australia Pty Limited	Issuance of prepaid cards and management of encashment of travellers' cheques	Australia
Travellers Cheques Encashment Services Limited	Processing of encashed travellers' cheques	England and Wales
Fort Lauderdale Business & Currency Services, LLC (45% owned)	Sale of foreign currency banknotes and other foreign exchange products	USA
Pittsburgh Currency Services, LLC(49% owned)	Sale of foreign currency banknotes and other foreign exchange products	USA
RDU Currency and Business Services, LLC (49% owned)	Sale of foreign currency banknotes and other foreign exchange products	USA
Newark Currency Services LLC (45% owned)	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex America 2 Inc.	Dormant	USA
Travelex Currency Services Inc.	Sale of foreign currency banknotes and other foreign exchange products	USA
Travelex Europe Limited	Electronic money institution	England and Wales
Travelex Services Inc.	Dormant	USA
Travelex TC LLC	Dormant	USA
Travelex Thailand Limited (62% owned)	Sale of foreign currency banknotes and other foreign exchange products	Thailand
Travelex Espana SA	In the process of being liquidated	Spain
Travalex Assessoria em Câmbio e Serviços Auxiliares	Exchange Consulting	Brazil
Travelex do Brasil Holding Não Financeira Ltd	Intermediate holding company	Brazil
Travelex Currency Exchange & Payments Sdn Bhd	Sale of foreign currency banknotes, other foreign exchange products, money transfer and remittance services	Malaysia

**Travelex Limited**  
**Notes to financial statements (continued)**  
for the year ended 31 December 2018

**11. Intangible assets**

<b>£000's</b>	<b>Assets under construction</b>	<b>Computer Software</b>	<b>Total</b>
<b>Cost or valuation</b>			
At 1 January 2017	4,783	6,532	11,315
Additions	8,489	-	8,489
Disposals	(8)	(476)	(484)
Reclassifications	(5,979)	6,182	203
Inter – company transfers	-	1,347	1,347
At 1 January 2018	<b>7,285</b>	<b>13,585</b>	<b>20,870</b>
Additions	<b>7,645</b>	<b>1,678</b>	<b>9,323</b>
Disposals	<b>(373)</b>	<b>(1,304)</b>	<b>(1,677)</b>
Reclassifications	<b>(6,180)</b>	<b>6,180</b>	-
Inter – company transfers	<b>1</b>	<b>(12)</b>	<b>(11)</b>
<b>At 31 December 2018</b>	<b>8,378</b>	<b>20,127</b>	<b>28,505</b>
<b>Amortisation</b>			
At 1 January 2017	-	4,102	4,102
Charge for the year	-	1,949	1,949
At 1 January 2018	-	<b>6,051</b>	<b>6,051</b>
Charge for the year	-	<b>3,154</b>	<b>3,154</b>
<b>At 31 December 2018</b>	-	<b>9,205</b>	<b>9,205</b>
<b>Net book value</b>			
<b>At 31 December 2018</b>	<b>8,378</b>	<b>10,922</b>	<b>19,300</b>
At 31 December 2017	7,285	7,534	14,819

**12. Tangible fixed assets**

<b>£000's</b>	<b>Leasehold Buildings</b>	<b>Assets Under Construction</b>	<b>Fixtures, Fittings and Equipment</b>	<b>Total</b>
<b>Cost or valuation</b>				
At 1 January 2017	215	39	2,904	3,158
Additions	-	203	-	203
Disposals	-	-	(66)	(66)
Reclassifications	-	(346)	143	(203)
At 1 January 2018	<b>215</b>	<b>(104)</b>	<b>2,981</b>	<b>3,092</b>
Additions	-	<b>58</b>	<b>13</b>	<b>71</b>
Reclassifications	-	<b>(122)</b>	<b>122</b>	-
<b>At 31 December 2018</b>	<b>215</b>	<b>(168)</b>	<b>3,116</b>	<b>3,163</b>
<b>Depreciation</b>				
At 1 January 2017	3	-	1,098	1,101
Charge for the year	13	-	358	371
At 1 January 2018	<b>16</b>	-	<b>1,456</b>	<b>1,472</b>
Charge for the year	<b>13</b>	-	<b>350</b>	<b>363</b>
<b>At 31 December 2018</b>	<b>29</b>	-	<b>1,806</b>	<b>1,835</b>
<b>Net book value</b>				
<b>At 31 December 2018</b>	<b>186</b>	<b>(168)</b>	<b>1,310</b>	<b>1,328</b>
At 31 December 2017	199	(104)	1,525	1,620



**Travelex Limited**  
**Notes to financial statements (continued)**  
for the year ended 31 December 2018

**13. Debtors – amounts falling due within one year**

<b>£'000</b>	<b>2018</b>	<b>2017</b>
Other debtors	3,718	2,609
Prepayments and accrued income	2,686	2,190
Group tax receivable	-	1,229
Amounts due from group undertakings	236,134	526,319
	<b>242,538</b>	<b>532,347</b>

Interest is charged on certain amounts due from group undertakings at LIBOR plus 3.5% (2017: LIBOR plus 3.5%). 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.

**14. Derivative Financial instruments**

**Maturity of financial assets and liabilities**

The net fair values of derivative financial instruments comprising foreign currency forward and swap contracts at the balance sheet date were:

<b>£'000</b>	<b>Foreign currency forward and swap contracts 2018</b>	<b>Foreign currency forward and swap contracts 2017</b>
Derivative financial assets less than one year due from external counterparties	1,831	1,179
Derivative financial assets less than one year due from group undertakings	-	1
Derivative financial assets	1,831	1,180
Derivatives financial liabilities less than one year due to external counterparties	(1,290)	(402)
Derivatives financial liabilities less than one year due to group undertakings	(1)	(1)
Derivative financial liabilities	(1,291)	(403)
Net assets	<b>540</b>	<b>777</b>

The notional value of these instruments indicates the nominal value of the transactions outstanding at the balance sheet date rather than an estimate of the related risk. The derivatives due to and from external counterparties has been netted by counterparty, currency and same maturity date (note 15). All amounts due to and from group undertakings are shown gross.

**Fair value estimation**

The fair value of the foreign currency forward and swap 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.

**Travelex Limited**  
**Notes to financial statements (continued)**  
for the year ended 31 December 2018

**15. Offsetting**

The Company has various netting agreements in place with external counterparties to manage the associated credit risks. Such arrangements primarily include over-the-counter derivatives. These netting agreements enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus reducing credit exposure. The derivatives due to and from external counterparties has been netted by counterparty, currency and same maturity date. All amounts due to and from group undertakings are shown gross.

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting agreements.

£'000	Derivatives before netting agreement		Offsetting recognised on Balance Sheet		Derivatives after netting agreement	
	2018	2017	2018	2017	2018	2017
Derivative financial assets less than one year due from external counterparties	2,191	1,270	(360)	(91)	1,831	1,179
Derivative financial assets less than one year due from group undertakings	10	1	(10)	-	0	1
Derivative financial assets	2,201	1,271	(370)	(91)	1,831	1,180
Derivatives financial liabilities less than one year due to external counterparties	(1,650)	(493)	360	91	(1,290)	(402)
Derivatives financial liabilities less than one year due to group undertakings	(11)	(1)	10	-	(1)	(1)
Derivative financial liabilities	(1,661)	(494)	370	91	(1,291)	(403)
Net assets	540	777	-	-	540	777

**16. Creditors - amounts falling due within one year**

£'000	2018	2017
Amounts owed to group undertakings	586,418	806,036
Other creditors	2,659	1,428
Group tax payable	82	-
Accruals and deferred income	8,114	10,077
	597,273	817,541

Amounts owed to group undertakings bear interest at LIBOR less 0.1% (2017: LIBOR less 0.1%).

Other creditor includes a trade creditor balance of £0.7m (2017: £0.6m) relating to Group Insurance.

**Travelex Limited**  
**Notes to financial statements (continued)**  
for the year ended 31 December 2018

**17. Provisions for liabilities**

<b>£'000</b>	<b>Total</b>
At 1 January 2018	<b>2,032</b>
Charged to income statement	<b>348</b>
Written back to income statement	<b>(220)</b>
Utilised in the year	<b>(2,160)</b>
<b>At 31 December 2018</b>	<b>-</b>

Provisions was related to redundancy costs and retention and incentive schemes for senior employees which have now been fully utilised in the year.

**18. Called up share capital**

	<b>2018</b>		<b>2017</b>	
	<b>number</b>	<b>£'000</b>	<b>Number</b>	<b>£'000</b>
Ordinary shares of £1 each	<b>70,606,334</b>	<b>70,606</b>	70,606,334	70,606
Ordinary 'A' shares of £1 each	<b>293,333</b>	<b>294</b>	293,333	294
	<b>70,899,667</b>	<b>70,900</b>	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 pari passu into £1 Ordinary shares.

**19. Operating leases**

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

<b>£000's</b>	<b>2018</b>	<b>2017</b>
	<b>Land and buildings</b>	<b>Land and buildings</b>
Expiring within one year	<b>1,820</b>	3,596
Expiring between one and five years	<b>8,812</b>	17,979
Expiring more than five years	<b>3,917</b>	11,263
	<b>14,549</b>	32,838

**20. 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.

**21. Contingent liabilities**

On 28 April 2017, 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 2022. 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 2018 was £38.6m (2017: £40.8m).

On 5 May 2017, Travelex Financing Plc raised €360.0m of senior secured notes due 2022, 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. €360.0m (£323.6m) is outstanding as at 31 December 2018 (2017: £319.8m).

**Travelex Limited**  
**Notes to financial statements (continued)**  
for the year ended 31 December 2018

**22. Ultimate and intermediate parent undertakings**

The Company is consolidated into Travelex Holdings Limited (UK), which is the smallest and largest Group entity whose financial statements are publically available at <http://www.travelex-corporate.com/EN/InvestorRelations/FinancialStatement/>.

At 31 December 2018, BRS Ventures & Holdings Limited, a company incorporated in the British Virgin Islands, was the Company's ultimate parent undertaking. Both companies are private limited companies. Refer to note 23 post balance sheet events for updated group structure.

**23. Post balance sheet events**

On 1<sup>st</sup> January 2019, the company sold 100% of its shareholding in Africa Foreign Exchange Proprietary Limited to Tourvest Financial Services Proprietary Limited (TFS). The proceeds included 25% of the shareholding in the enlarged TFS. In addition, Travelex agreed to waive fees for TFS to operate under the Travelex brand for 14 years and 5 months. Fair value of the net proceeds was estimated to be £3.3m.

On the 15th of April 2019, following the Group legal restructure, the ultimate parent entity has changed from BRS Ventures and Holdings Limited to BRS Investment Holdings 1 Limited (80%), BRS Investment Holdings 2 Limited (5%), BRS Investment Holdings 3 Limited (6%) and UX Investment Holdings Limited (9%).

Under the revised structure, Dr B. R. Shetty holds 100% of shares in BRS Investment Holdings 3 Limited, 80% in BRS Investment Holdings 2 Limited and 96.25% in BRS Investment Holdings 1 Limited. Binay Shetty holds 20% of shares in BRS Investment Holdings 2 Limited and 3.75% in BRS Investment Holdings 1 Limited. Khaleefa Butti Omair Yousif Almuhairei and Saeed Mohamed Butti Mohamed K. Algebaisi both hold 50% of shares in UX Investment Holdings Limited. The companies are registered and domiciled in the UAE.

On 15 May 2019, an Initial Public Offering was launched, whereby 700,000,000 Shares of Finabl PLC (intermediate parent of the Company) were listed on the London Stock Exchange. Following on from the IPO, the holdings of the parent entities have diluted to BRS Investment Holdings 1 Limited (53.5%), BRS Investment Holdings 2 Limited (4.4%), BRS Investment Holdings 3 Limited (5.2%) and UX Investment Holdings Limited (6.8%).