Moneycorp CFX Limited

Annual report and financial statements
for the year ended 31 December 2018

Registered number: 04780562

Moneycorp CFX Limited
Company information

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Registered office
Floor 5, Zig Zag Building
70 Victoria Street
London
SW1E 6SQ

Directors
G Gourlay
N Haslehurst
M Horgan

Company registration number
04780562

Date of incorporation
29 May 2003

Trading name
moneycorp

Moneycorp CFX Limited

Contents

Moneycorp CFX Limited
Strategic report
For the year ended 31 December 2018

The Directors present their strategic report for Moneycorp CFX Limited (the 'Company') for the year ended 31 December 2018. The Company is incorporated and domiciled in England and Wales, United Kingdom.

Principal activities and overview
The principal activity of the Company is the provision of cash services to individuals and businesses across its two main divisions: retail and wholesale.

The Company's retail division provides specialist foreign exchange stores and ATMs in London and United Kingdom ('UK') airports. The wholesale division sources and distributes large quantities of bank notes for clients including central banks and international financial institutions primarily in the developing countries.

The vision of the Company is to be first choice for its customer's foreign exchange needs.

For the retail division the Company's strategy is to focus primarily on the airport operations. This has resulted in the closing of most of its London operations. The division aims to capitalise on the strength of its brand to win more airport contracts and at the same time extend current contracts.

Due to the reorganisation of the Moneycorp Group, the net assets of the wholesale business of the Company were transferred out to a UK branch of Moneycorp (Hong Kong) Limited, a related company, on 11 January 2019.

As a strategic priority, the Company continues to maintain the highest standards of compliance, thereby reinforcing the trust which customers, partners, wholesalers and regulators place in its brand.

Operational review
In 2018 the business saw increased revenue growth and increased levels of profitability using the Company's key performance indicator of earnings before interest, tax, depreciation and amortisation (EBITDA) against the back drop of continued investment in the product proposition to support future growth.

Key strengths

Compliance at the heart of the Company's operations in all jurisdictions
Compliance and risk management are at the heart of the Company's business, and the business understands that this remains critical to long-term sustainable returns. As a strategic priority, the Company continues to maintain the highest standards of compliance, proactively engaging with regulators in all jurisdictions in which it operates and thereby reinforcing the trust from its customers, partners and brand. The Company takes the trust it has earned very seriously and will continue to invest in both people and technology to enhance its compliance capabilities.

Market opportunity
Continued growth in passenger numbers at airports and global tourism fuels the demand for foreign exchange at airports.

Performance measurement
The Company's most significant Key Performance Indicators (KPIs) measured across the two main business units are as follows:

- Revenue growth
- Customer acquisition and retention
- EBITDA growth

Each business unit has a management team responsible for the operations of the business division and uses a number of financial and non-financial KPIs in order to manage and develop the business to achieve the Company's strategic objectives. These are discussed in the operating reviews of each business unit below.

Moneycorp CFX Limited
Strategic report
For the year ended 31 December 2018

Divisional operating review
The management accounts that are used internally are based on old Generally Accepted Accounting Practice in the UK ('UK GAAP') whereas the statutory results are reported under International Financial Reporting Standards as adopted by the European Union ('EU IFRS') which results in differences in the revenue recognised in respect of forward derivative contracts. All other measurement policies used in preparing the management results are consistent with those used in preparing the statutory financial statements.

Company revenue and EBITDA within the business divisions are presented here to provide greater understanding of the underlying performance of the Company's operations.

£m	2018	2017	Growth
Revenue			
Wholesale	11.4	10.0	14%
Retail	70.3	67.6	4%
Total revenue	**81.7**	**77.6**	**5%**
EBITDA			
Wholesale	3.9	3.6	8%
Retail	6.8	5.0	36%
Total EBITDA	**10.7**	**8.6**	**24%**

Revenue
Revenue increased by £4.1m (5%) (2017: £1.3m decrease (2%)) to £81.7m (2017: £77.6m). The wholesale business grew by £1.4m (2017: £0.1m) in the year with the retail division increasing by £2.7m (2017: £1.4m decrease).

EBITDA
Throughout the financial statements EBITDA is defined as earnings before finance costs, tax, depreciation, amortisation and significant one off items.

Company EBITDA increased by £2.1m (2017: £2.3m decrease) to £10.7m (2017: £8.6m).

The results of the core operating businesses are detailed below:

Wholesale
The wholesale division's revenue grew by 14% (2017: 1%). This business primarily serves developing countries which generate income through exporting commodities such as oil. New customer acquisition in this market continued to progress well.

Retail
The retail division operated 36 bureaus (2017: 35) and 149 ATMs (2017: 125) at the end of 2018 and generated a 4% increase (2017: 2% decrease) in revenue due to the improved performance from the airport bureaus.

Profit for the year
The Company reported a statutory profit for the year of £4.1m (2017: £1.0m).

Depreciation and amortisation
The Company charged £0.9m of depreciation and amortisation during the year (2017: £1.3m).

Taxation
The tax charge for the continuing business was nil (2017: nil). For further details of the tax charge see note 8.

Net assets
The net assets of the Company at 31 December 2018 were £43.8m (2017: £39.7m).

Outlook

The Company has made a solid start to 2019 and remains focused on delivering substantial growth.

The Company is currently engaged in the tender process for a new contract at Stansted airport for five years commencing 1 April 2020.

The net assets of the wholesale business were transferred out to a UK branch of Moneycorp (Hong Kong) Limited, a related company, on 11 January 2019.

Going concern

The Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis and this is the basis which has been applied. The assessment of going concern has been undertaken by considering the risk factors below as well as the factors detailed in the significant estimates and judgements section of the accounting policies (see note 5).

Risk management

The Company's risk management framework is designed to ensure that material business risks throughout the organisation are identified and effectively managed. The Company operates a risk management model with three lines of defence and responsibility for risk management resides at all levels, from the Board and the executive committee down through the organisation. These responsibilities are distributed so that risk/return decisions are taken at the most appropriate level, as close as possible to the business, and remain subject to effective review and challenge. The responsibilities for effective review and challenge reside with senior managers, the audit committee, internal audit, the independent risk function, the Company risk committee and ultimately the Board.

The Company has identified the following key areas of risk:

Operational risk - Management has identified operational risk as the business's primary risk. Operational risk includes the risk arising within the organisation from inadequate or failed internal processes, inadequately designed or maintained systems, inappropriate staff levels or inadequately skilled or managed people. Operational risk exposures are identified, managed and controlled by management at all levels of the Company. Internal controls include the organisational structures and delegation of authority within the Company. This is designed to manage, rather than eliminate, the risk to the achievement of business objectives. The Company's operational budgets include appropriate investment levels to ensure that critical systems and processes are maintained, that customer data is protected and staff are properly trained and developed.

Cyber and technology risk

The Company has invested heavily in cyber security software that enables the detection of malware, viruses and phishing scams. The Company has also introduced a cyber security training programme for all staff to raise awareness of the potential threats and tactics used by cyber criminals.

Financial risk

Currency risk - The Company maintains bank balances and currency stocks in a number of currencies as well as invoices and receives payments in these currencies. The Company is therefore exposed to movements in foreign exchange rates on these balances.

Liquidity risk - The Company is exposed to short term working capital requirements with regards to settlement to the Company of client payments taken by credit or debit cards. These settlements are received by the Company on the following working day.

Credit risk - Credit risk arises from the possibility that the Company will incur financial loss from the failure of a customer or counterparty to meet its obligations under a contract. The Company does not generally provide credit to its customers but credit exposures can arise, normally for a short period of time, as the Company depends on its customers to pay for monies and services provided and to perform on foreign exchange contracts. All material credit exposures require approval from the central Group Credit Committee which is made up of individuals who are independent from the revenue generation functions of the business. Credit exposures are monitored daily against approved risk tolerance limits and client margins are called for where it is deemed appropriate. Payments are made in advance for large shipping orders.

Physical risk - Physical risk arises from the Company's exposure to theft and misappropriation or damage to its physical assets, principally cash in tills and ATMs. The Company employs a physical risk audit team which develops appropriate policies and procedures to mitigate this risk and oversees the compliance with the policies. These arrangements are reviewed by third parties on a periodic basis. The Company also maintains appropriate levels of insurance to limit its exposure.

Regulation and compliance risk
The Company is registered with Her Majesty's Revenue and Customs ('HMRC') as a Money Service Business. Regulatory and compliance policy is led centrally by the Moneycorp Group Compliance and Risk Manager and there is a dedicated team in the business to ensure compliance with Anti Money Laundering and Countering Financing of Terrorism ('AML/CFT'), sanctions and other legal, regulatory and licensing requirements including compliance with all HMRC requirements. The Company's legal team, in conjunction with external legal advisers, advises on the regulatory environment in which the Company operates and provides advice on any measures required to maintain operating licenses as appropriate.

On behalf of the board

N Haslehurst
Director
25 September 2019

Moneycorp CFX Limited
Directors' report
For the year ended 31 December 2018

The Directors present their report and the audited financial statements of Moneycorp CFX Limited (the 'Company') incorporated and domiciled in England and Wales, United Kingdom for the year ended 31 December 2018.

Controlling interest
The ultimate holding company is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. The ultimate controller of Moneta Topco Limited is Bridgepoint Europe IV (Nominees) Limited.

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

Executive Director	G Gourlay	Chief Executive Officer, Cash Services
Executive Director	N Haslehurst	Chief Financial and Operating Officer
Executive Director	M Horgan	Group Chief Executive Officer

None of the directors hold any interest in the shares of the Company.

Further details about the Company can be found in the Company Information on page 1.

No interim dividends were declared during the current or prior year and the Directors do not recommend the payment of a final dividend (2017: nil).

Charities and donations
No donations were made for charitable or political purposes during the year (2017: nil).

Principal activities and outlook
The principal activities and outlook for the Company are disclosed in the Strategic Report.

Events after the balance sheet date
The net assets of the wholesale business were transferred out to a UK branch of Moneycorp (Hong Kong) Limited, a related company, on 11 January 2019.

Risk management
The Company's risk management framework is set out in the Strategic Report.

Employee engagement
The Company is committed to employee involvement as it believes that its business objectives are best achieved if the Company's employees understand and support the Company strategy. The Company's values of accountability, collaboration, determination, integrity and recognition are embedded through the Company's performance framework.

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. The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, sex or sexual orientation, race, colour, disability or marital or civil partnership status.

The Company gives full and fair 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 alternative position, with appropriate retraining being given if necessary.

Going concern assessment

The Directors assess the Company's going concern for a period of at least 12 months from the date of signing the balance sheet and take into account the facts and circumstances during that period. In making this assessment the Directors consider:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Company would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support, including through shareholder loans;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The regulatory environment in which the Company operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has therefore prepared these financial statements on a going concern basis.

Brexit

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

The Directors have considered current business plans and assessed all the risks faced by the Company, including the ability to continue as a going concern as a result of Brexit. Having made appropriate investigations and enquiries, the Directors have concluded that the Company can continue to operate as a going concern, and that the impact of Brexit to the current business plan is not significantly affecting this conclusion. However the Directors continue to monitor this situation and will respond to market situations accordingly.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 International Financial Reporting Standards as adopted by the European Union ('EU IFRS'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable EU IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 confirm they have complied with all of the above requirements in preparing the financial statements.

Moneycorp CFX Limited
Directors' report
For the year ended 31 December 2018

Statement of Directors' responsibilities in respect of the financial statements - continued
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.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director 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 auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they will be reappointed will be proposed at the next meeting of the Board of Directors.

The financial statements on pages 12 to 38 were approved by the Board of Directors and authorised for issue on September 2019. They were signed on its behalf by:

N Haslehurst
Director
25 September 2019

Independent auditors' report to the members of Moneycorp CFX Limited

Report on the audit of the financial statements

Opinion
In our opinion, Moneycorp CFX Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of Moneycorp CFX Limited

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
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.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Sheena Coutinho (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 September 2019

Moneycorp CFX Limited
Statement of comprehensive income
For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Continuing operations:			
Revenue	6	81,724	77,561
Administrative expenses	7	(76,956)	(76,567)
Operating profit		4,768	994
Finance costs		(652)	(24)
Profit before tax		4,116	970
Tax charge	8	-	-
Profit and total comprehensive income for the year attributable to the owners of the Company		4,116	970

No other comprehensive income items were recorded during the year (2017: nil).

The above statement should be read in conjunction with the accompanying notes on pages 16 to 38.

Moneycorp CFX Limited
Balance sheet
As at 31 December 2018

	Note	2018 £000	2017 (Restated) £000	1 January 2017 £000
Non-current assets				
Intangible assets	9	149	164	-
Property, plant and equipment	10	2,105	1,929	-
		2,254	2,093	-
Current assets				
Inventories	11	385	298	-
Cash and cash equivalents	13	23,381	32,327	-
Trade and other receivables	14	89,423	31,952	4,329
Prepayments		229	275	-
Derivative financial instruments	15	46	9	-
		113,464	64,861	4,329
Total assets		115,718	66,954	4,329
Non-current liabilities				
Obligations under finance leases	16	(33)	(23)	-
		(33)	(23)	-
Current liabilities				
Trade and other payables	17	(71,808)	(27,194)	-
Obligations under finance leases	16	(52)	(57)	-
Derivative financial instruments	15	(57)	(28)	-
		(71,917)	(27,279)	-
Total liabilities		(71,950)	(27,302)	-
Net assets		43,768	39,652	4,329
Equity				
Share capital	19	4,044	4,044	4,044
Capital contribution reserve		34,353	34,353	-
Retained earnings		5,371	1,255	285
Total equity		43,768	39,652	4,329

The above balance sheet should be read in conjunction with the accompanying notes on pages 16 to 38.

The financial statements of Moneycorp CFX Limited (registered number 04780562) on pages 12 to 38 were approved by the Board of Directors and authorised for issue on 25 September 2019. The Directors do not have the power to amend the financial statements after issue. They were signed on its behalf by:

Director

N Haslehurst

25 September 2019

Moneycorp CFX Limited
Statement of changes in equity
For the year ended 31 December 2018

	Share capital £000	Capital contribution reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2017	4,044	-	285	4,329
Capital contribution reserve	-	34,353	-	34,353
Profit for the year	-	-	970	970
Total comprehensive income	-	-	970	970
Balance at 31 December 2017	4,044	34,353	1,255	39,652
Balance at 1 January 2018	4,044	34,353	1,255	39,652
Profit for the year	-	-	4,116	4,116
Total comprehensive income	-	-	4,116	4,116
Balance at 31 December 2018	4,044	34,353	5,371	43,768

The above statement should be read in conjunction with the accompanying notes on pages 16 to 38.

Moneycorp CFX Limited
Statement of cash flows
For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/generated from operations	20	(7,261)	13,154
Interest paid		(652)	-
Net cash (outflow)/inflow from operating activities		(7,913)	13,154
Cash flows from investing activities			
Purchases of property, plant and equipment		(944)	(3,180)
Purchases of intangible assets		-	(216)
Net cash outflow from investing activities		(944)	(3,396)
Cash flows from financing activities			
Finance leases		-	80
Repayments of obligations under finance leases		(89)	(47)
Cash acquired on hive down		-	22,536
Net cash (outflow)/inflow from financing activities		(89)	22,569
Net (decrease)/increase in cash and cash equivalents		(8,946)	32,327
Cash and cash equivalents at the beginning of the year		32,327	-
Cash and cash equivalents at the end of the year	13	23,381	32,327

The above statement should be read in conjunction with the accompanying notes on pages 16 to 38.

1. GENERAL INFORMATION

Moneycorp CFX Limited (the 'Company') is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in the company information on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 3 to 6.

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in pounds sterling ('GBP'), which is the Company's functional and presentation currency.

2. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT PERIOD

The Company has adopted the following standards and amendments for the first time for their annual reporting year commencing 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

IFRS 9 Financial Instruments
IFRS 9 *Financial Instruments* replaced the provisions of IAS 39 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 January 2018 resulted in changes in accounting policies and classification of amounts recognised in the financial statements. The new accounting policies are set out within note 4.

Classification and measurement
On 1 January 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial instruments held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

	IAS 39 classification	IAS 39 measurement	IFRS 9 classification and measurement
Financial Assets			
Cash and cash equivalents	Loans and receivables	Amortised cost	Amortised cost
Trade and other receivables	Loans and receivables	Amortised cost	Amortised cost
Derivative financial instruments	Held for trading	Fair value through profit or loss	Fair value through profit or loss
Financial Liabilities			
Trade and other payables	Other financial liabilities	Amortised cost	Other financial liabilities at amortised cost
Derivative financial instruments	Held for trading	Fair value through profit or loss	Fair value through profit or loss

There were no impacts between original carrying amounts and new carrying amounts under IFRS 9.

Impairment of financial assets:
The Company has two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables

2. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT PERIOD – CONTINUED

IFRS 9 Financial Instruments - continued

The Company applies the IFRS 9 simplified approach to measuring expected credit losses ('ECL's') which uses a lifetime expected loss allowance. The Company has assessed the impact of the above assets held at amortised cost. Based on the associated high credit quality of the Company's counterparties and short term nature of receivable balances, the identified expected loss is immaterial.

IFRS 15 Revenue from contracts with customers

IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts*, was adopted by the Company effective from 1 January 2018. In accordance with the transition provisions in IFRS 15, the Company has adopted the new rules retrospectively with the cumulative effect of initially applying the standard as an adjustment to opening retained earnings. There was no impact of adoption on prior year results.

IFRS 15 applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model which requires identification of distinct performance obligations within contracts and allocation of the transaction price to those performance obligations. Revenue is recognised as each performance obligation is satisfied. Variable amounts of revenue can only be recognised if it is highly probable that a significant reversal of the variable amount will not be required in future periods.

The Company has completed the transition for all revenue streams that are not specifically excluded from the scope of IFRS 15.

There are no significant impacts from the adoption of IFRS 15 in relation to the timing of when the Company recognises revenue or whether revenue should be recognised gross as a principal or net as an agent. The Company will continue to recognise revenue as services are provided (for example when a foreign exchange contract is entered into). Refer to the 'Revenue' section of note 4 for further details on each of the main types of revenue.

3. NEW AND REVISED STANDARDS NOT YET ADOPTED

The following new accounting Standards and Interpretations were in issue but not yet effective (and in some cases had not yet been adopted by the EU) for the 31 December 2018 reporting year, and have not been early adopted by the Company:

Standard	New standard / amendment:	Effective for annual reporting periods beginning on or after:
IFRS 16 – Leases	New	1 January 2019
IFRS 17 – Insurance Contracts	New	1 January 2021
IFRS 3 - Business Combinations	Amendment	Not yet endorsed for use in the EU
IFRS 11 Joint Arrangements	Amendment	Not yet endorsed for use in the EU
IAS 12 - Income Taxes	Amendment	Not yet endorsed for use in the EU
IAS 23 - Borrowing Costs	Amendment	Not yet endorsed for use in the EU
IAS 28 - Investments in Associates and Joint Ventures	Amendment	Not yet endorsed for use in the EU
IAS - 19 Employee Benefits	Amendment	Not yet endorsed for use in the EU

The Directors do not expect that the adoption of the new and revised standards will have a material impact on the financial statements of the Company in future periods with the possible exception of IFRS 16 - *Leases*. The Company's assessment of the impact of IFRS 16 has been set out below.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

3. NEW AND REVISED STANDARDS NOT YET ADOPTED - CONTINUED

IFRS 16 – Leases

IFRS 16 - *Leases* was issued in January 2016 and is effective for annual periods beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

Implementation and transition:

The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The Company has reviewed all of the Company's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of £141,548k, see note 23a – Operating lease arrangements.

The amount of the asset and liability that the Company will recognise upon adoption of IFRS 16 will be determined by the operating lease commitments that exceed 12 months duration at the time of adoption and meet the definitions outlined in IFRS 16.

IFRS 16 excludes contracts from being classified as a lease if the supplier has the substantive right to substitute the asset throughout the period of use. As such it has been concluded that airport concession contracts do not contain a lease under the definition of IFRS 16. Concession payments will continue to be expensed in the period in which they are incurred.

Of the £141,548k operating lease commitments as at 31 December 2018, approximately £140,679k relate to airport concession commitments and £40k relate to short-term leases. Management's estimate of the financial impact of initial adoption on the Company's financial statements is the recognition of both a right-of-use asset and lease liability of £749k. The adoption has no impact on the cash flows of the Company as the change is for financial reporting purposes only.

The Company's activities as a lessor are not material and hence the Company does not expect any significant impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies reporting under International Financial Reporting Standards ('IFRSs') as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee ('IFRS IC').

The financial statements have been prepared on the historical cost basis, except for the revaluation of some financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements have been rounded to the nearest thousand pounds sterling, except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Going concern

The Directors assess the Company's going concern for a period of at least 12 months from the date of signing the balance sheet and take into account the facts and circumstances during that period. In making this assessment the Directors consider:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Company would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support, including through shareholder loans;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The regulatory environment in which the Company operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has therefore prepared these financial statements on a going concern basis.

Correction of prior period error

An error was identified in the current financial year in regards to the classification and measurement of certain derivative assets and liabilities entered into with TTT Moneycorp Limited, a related party. The error was made in the 2017 financial reporting period which was the first year the derivatives were entered into by the Company.

The error has been corrected by restating each of the affected financial statement lines for the prior period as follows:

Balance sheet (extract)	31 December 2017	Increase / (decrease)	31 December 2017 (Restated)
	£000	£000	£000
Assets			
Trade and other receivables (excluding prepayments)	56,244	(24,292)	31,952
Derivative financial instruments	-	9	9
Other assets	34,993	-	34,993
	91,237	(24,283)	66,954
Liabilities			
Trade and other payables	(51,505)	24,311	(27,194)
Derivative financial instruments	-	(28)	(28)
Other liabilities	(80)	-	(80)
	(51,585)	24,283	(27,302)
Total	39,652	-	39,652

There is no impact on the statement of comprehensive income as a result of the restatement.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Sale of trade and assets
On 1 January 2017 TTT Moneycorp Limited ('TTT'), a related company, sold the trade and assets relating to its cash services business to the Company for a consideration of £47,500k. These have been included in the Company's balance sheet in the prior year at book value of the net assets sold which was £34,353k.

The excess between the consideration and the net book value of the assets acquired of £13,147k resulted in a movement in equity rather than goodwill as this was an intergroup transaction. Subsequently the consideration was also waived by TTT which resulted in a further movement in equity creating a net capital contribution reserve balance of £34,353k in the Company in 2017.

Comparative numbers
The Company has changed the presentation of the following items during the current year as the classification has been deemed more relevant and appropriate to the Company. For comparability the prior year presentation has also been updated.

- Prepayments are shown separately on the balance sheet rather than within trade and other receivables, separating financial and non-financial assets.
- Fees for cash stock facilities have been presented within administration expenses rather than within finance costs.

There have been no changes to the overall balances presented within the primary statements. Certain other prior year comparatives within the notes to the financial statements have been updated to reflect current year presentation.

Foreign currencies
Trading transactions denominated in currencies other than the Company's functional currency (foreign currencies) are translated at the exchange rate prevailing on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities at year end exchange rates, are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Intangible assets
Subsequent to initial recognition the Company adopts the cost model as its accounting policy which requires intangible assets to be carried at cost less accumulated amortisation and impairment losses.

Capitalised computer software costs are amortised on a straight line basis over their estimated useful lives. Estimated useful lives are as follows:

Internally developed software 4 to 10 years

Intangible assets are tested for impairment when there are any indicators that the carrying amount of the assets can't be recovered. Any reduction in value is recorded in the statement of comprehensive income.

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is recognised to write down the cost or valuation less the residual value of assets over their useful lives, using the straight-line method, on the following bases:

Fixtures and fittings	4 to 10 years
Computer equipment	4 to 20 years

Improvements to leased properties, including fixtures and fittings and computer equipment, are depreciated over the expected life of those improvements/assets, or period of the lease, whichever is shorter.

4. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property, plant and equipment - continued
The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Impairment of property, plant and equipment
At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories
Inventories include maps, phone cards and train tickets, which are stated at the lower of cost and net realisable value. Cost comprises those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments
Financial instruments are classified as financial assets, financial liabilities or equity instruments, and are initially recognised when the Company becomes party to the contractual provisions of the instrument.

Classification:
From 1 January 2018, the Company classifies its financial assets and liabilities in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

Recognition and derecognition:
Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. All financial instruments are initially measured at fair value adjusted for transaction costs.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial instruments - continued
The Company classifies its instruments based on the Company's business model for managing the financial assets and liabilities and the contractual terms of the cash flows. The Company's financial assets and liabilities are managed and their performance evaluated on a fair value basis.

Financial assets at amortised cost

Cash and cash equivalents
Cash and cash equivalents comprise cash including wholesale bank notes and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

Trade receivables
Trade receivables are recognised at original invoice or contract value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The amount of the loss allowance is recognised in the statement of comprehensive income. When the trade receivable is deemed uncollectable, it is written off against the provision for trade receivables.

Impairment of financial assets at amortised cost
At the reporting date, the Company measures the loss allowance on financial asset at an amount equal to the lifetime ECLs if the risk has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a loss allowance may be required. Given the high credit quality and short term nature of the financial assets measured at amortised cost, the Company does not anticipate any material ECLs to be applicable for these assets.

Financial liabilities at amortised cost

Trade payables
Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at original invoice or contract value being the best estimate of fair value and subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

Derivative financial instruments
The Company enters into derivative financial instruments (spot and forward contracts) to reduce foreign exchange exposure arising from foreign wholesale bank notes held.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the statement of comprehensive income. Further details regarding the fair value measurement and valuation process of derivative financial instruments are disclosed in note 15.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Derivative financial instruments are held for trading and as such are presented as a current asset or a current liability.

Share capital
Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

4. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue
A summary of the Company's main revenue streams is provided below:

Wholesale
The wholesale business provides money services by supplying physical bank notes to individuals and businesses. Revenue represents the commission charges on such services as well as any margin earned between the buying and selling price of foreign currency bank notes. There is only one performance obligation associated with wholesale commission revenue which is recognised at the point in time when the currency is ordered by the customer.

Retail
Retail income comprises the margin and commission earned on currencies as a result of the Company's operation of bureaus. Bureaus and ATMs at airports provide customers with the ability to buy foreign currency at a specified rate at that point in time either over the counter or through an ATM.

A fixed fee is charged to customers who purchase lower amounts of currency. Payment of the fixed fee is due when the customer purchases the foreign currency. Purchase of foreign currency has only one performance obligation and income is recognised at the point in time when control of the foreign currency purchased is transferred to the customer.

Retail customers are also able to buy currency and load it on to a card rather than have physical currency. Similar to bureau and ATM revenue, margin revenue is earned and recognised when the customer buys the currency at an airport to load onto a card. Revenue is also earned when the customer uses the card such as for POS transactions, ATM withdrawals, cash outs, money transfers and inactivity charges. Fees may vary depending on the transaction and are either fixed or a percentage of the transaction amount. Revenue has one performance obligation and is recognised at the point in time when the transaction is made, generally when the customer spends or withdraws.

Commission income is earned from providing VAT refund services, and on the sale of train tickets, at the bureaus within airport terminals. With regard to train tickets, the Company purchases these (and other minor items such as maps) in advance and holds them as part of inventory. Upon purchase by a customer, payment for the ticket is due immediately when they make the transaction. Under IFRS 15, the Company continues to be treated as an agent as it does not hold the primary responsibility for fulfilling the promise to provide the train service to the customer and as such is presented in the statement of comprehensive income on a net basis. The commission on both the VAT refund services and on the sale of tickets have only one performance obligation and are recognised at a point in time when the service or sale are provided.

Finance costs
The Company classifies interest, including interest charges in respect of finance leases, as well as other costs associated with the management of cash and cash equivalents and debt, as finance costs.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases
Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of comprehensive income.

Operating leases
Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

4. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Pensions defined contribution scheme
The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge disclosed in note 18 includes contribution payable by the Company to the fund.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable results and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Current tax and deferred tax for the year
Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies
In the course of preparing the financial statements, no critical judgements have been made in the process of applying the Company's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY - CONTINUED

Useful lives of property, plant and equipment and intangible assets
As described in note 4, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

Impairment of financial assets at amortised cost
Under IFRS 9, a forward-looking impairment model based on ECLs, applies to financial assets held at amortised cost. ECLs are probability-weighted estimates of credit losses. In calculating this ECL allowance, the Company considers information about past events and current conditions as well as supportable information about future events and economic conditions. In addition, for loans to which the three-stage general model of impairment is applied, judgement is required to determine which indicators represent a significant increase in credit risk and thereby trigger the recognition of a lifetime ECL allowance.

Fair value measurements and valuation processes
Derivative financial assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available (Level 1). Foreign currency forwards are considered to be Level 2 as the fair value measurements are derived from inputs other than quoted prices that are directly or indirectly observable. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 15.

The fair value of derivative financial assets and liabilities are stated after adjustments to reflect counterparty credit risk.

The Company recognises derivative financial assets when counterparty positions are out of the money (from the perspective of the counterparty). The fair value of derivative financial assets is calculated as the mark to market less any credit valuation adjustments (CVA). This is calculated based on an internal assessment of the counterparty credit risk, with the receivable amounts being discounted using a rate that reflects the risk of default.

Derivative financial liabilities are recognised by the Company when counterparty positions are in the money (from the perspective of the counterparty). The fair value of the derivative financial liabilities is calculated as the mark to market less any debit valuation adjustments (DVA). This adjustment reflects the risk of the Company defaulting on the balance payable to the counterparty and is calculated using an estimate of the Company's borrowing costs.

CVA on derivative financial assets is recorded in the statement of comprehensive income. To prevent an accounting mismatch, the Company has elected to recognise DVA on derivative financial liabilities in the statement of comprehensive income rather than in other comprehensive income.

6. REVENUE

	2018 £000	2017 (Restated) £000
Revenue from contracts with customers:		
Retail revenue		
Margin on retail bureau foreign exchange	43,099	43,836
ATM revenue	23,115	19,916
Commission	2,231	1,953
Fees and charges	1,107	1,472
Prepaid cards	1,154	935
	70,706	68,112
Wholesale revenue		
Commission	10,832	9,292
	10,832	9,292
Other:		
Foreign exchange gains	178	176
Net gain / (loss) on financial instruments held at fair value through profit or loss	8	(19)
	186	157
Total revenue	81,724	77,561

7. ADMINISTRATIVE EXPENSES

Included within administrative expenses are the following:

	2018 £000	2017 £000
Operating lease rentals	44,226	42,396
Staff costs (see note 7b.)	9,491	9,035
Management charge (see note 24d.)	4,978	3,145
Depreciation of property, plant and equipment (see note 10)	843	1,251
Fees for cash stock facilities	340	24
Auditors' remuneration (see note 7a.)	80	-
Loss on disposal of property, plant and equipment	19	-
Amortisation of intangible assets (see note 9)	15	52
Impairment loss recognised on trade receivables	1	-

Fees of £340k (2017: £24k) were paid to Moneycorp Bank Limited, a related party, for providing cash stock facilities during the year.

7a. Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	2018 £000	2017 £000
Fees paid to the Company's auditors and their associates		
Audit of the Company's annual financial statements	80	78
Total fees to the Company's auditors	80	78

The audit fee for 2017 was borne by a related company, TTT Moneycorp Limited.

7. **ADMINISTRATIVE EXPENSES - CONTINUED**

7b. Staff costs

	2018 Number	2017 Number
The average monthly number of employees (including executive directors) was:		
Management and administration	14	11
Operations	375	383
	389	394

	2018 £000	2017 £000
Their aggregate remuneration comprised:		
Wages and salaries	8,531	8,093
Social security costs	722	689
Other pension costs (see note 18)	238	253
	9,491	9,035

8. **TAX CHARGE**

	2018 £000	2017 £000
Current tax	-	-
Deferred tax	-	-
Total tax charge for the year	-	-

Corporation tax is calculated at 19.00% (2017: 19.25%) of the estimated assessable profit for the year.

The total tax charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2018 £000	2017 £000
Profit before tax on continuing operations	4,116	970
Tax at the UK corporation tax rate of 19.00% (2017: 19.25%)	782	184
Tax effect of expenses that are not deductible	160	-
Tax effect of Group relief received	(942)	(184)
Total tax charge for the year	-	-

Tax relief was received from other entities within the Moneta Topco Limited group (the 'Group' – see note 25 for further details of the Group).

At Budget 2016, the Government announced that the corporation tax rate applicable from 1 April 2020 would be reduced to 17%.

9. INTANGIBLE ASSETS

	Internally developed software £000
Year ended 31 December 2017	
Opening carrying amount	-
Additions	216
Amortisation charge	(52)
Closing carrying amount	164
At 31 December 2017	
Cost	216
Accumulated amortisation	(52)
Carrying amount	164
Year ended 31 December 2018	
Opening carrying amount	164
Additions	-
Amortisation charge	(15)
Closing carrying amount	149
At 31 December 2018	
Cost	216
Accumulated amortisation	(67)
Carrying amount	149

The additions in 2017 were part of the transfer of assets from TTT Moneycorp Limited, a related entity, as explained in note 4.

10. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £000	Computer equipment £000	Finance leases £000	Total £000
Year ended 31 December 2017				
Opening carrying amount	-	-	-	-
Additions	2,759	161	260	3,180
Net disposals	-	-	-	-
Depreciation charge	(975)	(108)	(168)	(1,251)
Closing carrying amount	1,784	53	92	1,929
At 31 December 2017				
Cost	2,759	161	260	3,180
Accumulated depreciation	(975)	(108)	(168)	(1,251)
Carrying amount	1,784	53	92	1,929
Year ended 31 December 2018				
Opening carrying amount	1,784	53	92	1,929
Additions	864	82	92	1,038
Net disposals	(6)	(13)	-	(19)
Depreciation charge	(712)	(73)	(58)	(843)
Closing carrying amount	1,930	49	126	2,105
At 31 December 2018				
Cost	3,616	230	352	4,198
Accumulated depreciation	(1,686)	(181)	(226)	(2,093)
Carrying amount	1,930	49	126	2,105

The finance leases relate to ATM machines which had a net book value of £126k (2017: £92k).

The additions in 2017 were part of the transfer of assets from TTT Moneycorp Limited, a related entity, as explained in note 4.

11. INVENTORIES

	2018 £000	2017 £000
Maps, phone cards and train tickets	385	298
	385	298

£1,848k (2017: £2,042k) was included within cost of sales and presented net against revenue in the statement of comprehensive income in line with the accounting policy in note 4.

12. FINANCIAL ASSETS AND LIABILITIES

Categories of financial instruments

	2018 £000	2017 (Restated) £000
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	23,381	32,327
Trade and other receivables	89,423	31,952
Financial assets at fair value through profit or loss		
Derivative financial instruments held for trading	46	9
	112,850	64,288
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	(71,808)	(27,194)
Obligations under finance leases	(85)	(80)
Financial liabilities at fair value through profit or loss		
Derivative financial instruments held for trading	(57)	(28)
	(71,950)	(27,302)

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values.

13. CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Company cash and bank balances	3,933	5,836
Wholesale bank notes	19,448	26,491
	23,381	32,327

14. TRADE AND OTHER RECEIVABLES

	2018 £000	2017 (Restated) £000
Amounts falling due within one year:		
Trade receivables	10,388	18,057
Related party receivables from Group companies	78,815	13,580
Other debtors	220	315
	89,423	31,952

The Company uses Moneycorp Bank Limited, a related party, as a supplier of wholesale bank notes. Included in the related party receivables from Group companies at year end is £40,754k (2017: £1,818k) from Moneycorp Bank Limited in relation to the wholesale business.

15. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial assets is calculated as the mark to market less any credit valuation adjustments (CVA). The fair value of the derivative financial liabilities is calculated as the mark to market less any debit valuation adjustments (DVA).

The mark to market of the foreign currency forwards are provided by an external valuation company.

Where a counterparty trade is out of the money (from the perspective of the counterparty) and the Company has recognised a derivative asset, a CVA is calculated to reflect the credit risk associated with that counterparty. Given all derivative assets are short term in nature (one month or less) and the counterparty for all contracts is TTT Moneycorp Limited, a related party, the counterparty credit risk on derivative assets has been assessed as immaterial. CVA for 2018 is therefore nil (2017: nil).

15. DERIVATIVE FINANCIAL INSTRUMENTS - CONTINUED

Where a counterparty trade is in the money (from the perspective of the counterparty) and the Company has recognised a derivative liability, a DVA is applied to the balance payable by the Company to reflect the credit risk associated with the Company. This adjustment is calculated using an estimate of the Company's borrowing costs. Given all derivative liabilities are short term in nature (one month or less) and the counterparty for all contracts is TTT Moneycorp Limited, a related party, the risk of the Company defaulting on the balance payable for derivative liabilities has been assessed as immaterial. DVA for 2018 is therefore nil (2017: nil).

	2018 £000	2017 (Restated) £000
Mark to market fair value		
Financial assets		
Foreign currency forward contracts	46	9
Total financial assets	46	9
Financial liabilities		
Foreign currency forward contracts	(57)	(28)
Total financial liabilities	(57)	(28)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Foreign currency forward contracts values are determined by observable forward exchange rates and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

	2018			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Foreign currency forward contracts	-	46	-	46
Total	-	46	-	46
Financial liabilities				
Foreign currency forward contracts	-	(57)	-	(57)
Total	-	(57)	-	(57)

	2017 (Restated)			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Foreign currency forward contracts	-	9	-	9
Total	-	9	-	9
Financial liabilities				
Foreign currency forward contracts	-	(28)	-	(28)
Total	-	(28)	-	(28)

There were no transfers between levels in the current or prior years.

16. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments 2018 £000	Minimum lease payments 2017 £000
Amounts payable under finance leases:		
Within one year	54	59
In the second to fifth years inclusive	34	23
Minimum lease payments	88	82
Future finance charges	(3)	(2)
Recognised as a liability	85	80
Analysed as:		
Amounts due for settlement within 12 months (shown as current liability)	52	57
Amounts due for settlement after 12 months	33	23
	85	80

	Present value of minimum lease payments 2018 £000	Present value of minimum lease payments 2017 £000
Within one year	52	57
In the second to fifth years inclusive	33	23
Present value of minimum lease payments	85	80

It is the Company's policy to lease its ATM machines for use in London and across its retail locations under finance leases. The average lease term is 3 years (2017: 4 years). For the year ended 31 December 2018, the average effective borrowing rate was 0.36% (2017: 0.39%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in pounds sterling.

The fair value of the Group's lease obligations is approximately equal to their carrying amount.

The Group's obligations under finance leases are secured by the lessors' rights over the leased assets disclosed in this note.

17. TRADE AND OTHER PAYABLES

	2018 £000	2017 (Restated) £000
Amounts falling due within one year:		
Trade and other payables	59,101	25,521
Accruals	1,721	1,290
Related party amounts owed to other Group companies	10,986	383
	71,808	27,194

Included in the related party amounts owed to other Group companies at year end is £7,162k of trading transactions (2017: nil) in relation to the wholesale business.

Trade and other payables principally comprise amounts outstanding for customer transactions, trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. DEFINED CONTRIBUTION PENSION PLAN

The Company has a defined contribution pension scheme that covers employees whose length of service is at least three months. Allocations to individual employees are based on the salary level of the employee and employer contribution. At 31 December 2018 the Company had a liability of approximately £40k (2017: £34k), included in trade and other payables in the accompanying balance sheet, related to the pension scheme. During the year the Company made no pension contributions to the scheme on behalf of key management personnel (2017: nil).

19. SHARE CAPITAL

	2018 £000	2017 £000
Authorised:		
4,044,001 (2017: 4,044,001) ordinary shares of £1 each	4,044	4,044
Issued and fully paid:		
4,044,001 (2017: 4,044,001) ordinary shares of £1 each	4,044	4,044

The Company has one class of ordinary shares which carry no right to fixed income.

20. NOTES TO THE CASH FLOW STATEMENT

20a. Net cash from operations	2018 £000	2017 (Restated) £000
Operating profit	4,768	994
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	843	1,251
Amortisation of intangible assets	15	52
Loss on disposal of property, plant and equipment	19	-
	5,645	2,297
Movements in working capital:		
Increase in inventories	(87)	(298)
(Increase)/decrease in receivables	(57,462)	24,228
Increase/(decrease) in payables	44,643	(13,073)
Net cash (used in)/generated from operations	(7,261)	13,154

20b. Net cash reconciliation

		Liabilities from financing activities		
	Cash £000	Finance leases due within 1 year £000	Finance leases due after 1 year £000	Total £000
Opening balance at 1 January 2017	-	-	-	-
Cash flows	32,327	23	-	32,350
Acquisitions – finance leases	-	(57)	(23)	(80)
Other changes *	-	(23)	-	(23)
Net cash as at 31 December 2017	32,327	(57)	(23)	32,247
Opening balance at 1 January 2018	32,327	(57)	(23)	32,247
Cash flows	(8,946)	89	-	(8,857)
Acquisitions – finance leases	-	(37)	(57)	(94)
Other changes *	-	(47)	47	-
Net cash as at 31 December 2018	23,381	(52)	(33)	23,296

* Other changes include non-cash movements and interest payments which are presented as operating cash flows in the statement of cash flows.

21. FINANCIAL RISK MANAGEMENT

Financial risk management objectives
The main risks arising from the Company's financial instruments are market risk (including foreign currency and interest rate), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

Market risk
The Company's principal business activity involves the provision of specialist foreign exchange stores and ATMs, and the sourcing and distribution of large quantities of wholesale bank notes. The Company has considered risks including market risk (primarily currency risk and interest rate risk), credit risk and liquidity risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The sensitivity to market risk in relation to derivatives is therefore immaterial.

Foreign currency risk management
The Company maintains bank balances and bank note stocks in a number of currencies, and is therefore exposed to movements in foreign exchange rates on these balances. The Company enters into derivative financial instruments (spot and forward contracts) to reduce foreign exchange exposure.

The Company also invoices and receives payments denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise.

Cash and cash equivalent balances, including bank balances and wholesale bank notes, held in foreign currencies at year end were as follows:

Currency	2018 £000	2017 £000
Euro (EUR)	5,672	4,434
United States dollar (USD)	4,092	3,999
Norwegian krone (NOK)	1,772	207
Canadian dollar (CAD)	1,655	370
Danish krone (DKK)	993	189
Swiss franc (CHF)	834	261
Australian dollar (AUD)	594	642
Swedish krona (SEK)	526	122
Chilean peso (CLP)	461	24
South African rand (ZAR)	383	355
United Arab Emirates dirham (AED)	244	243
Japanese yen (JPY)	197	257
Icelandic krona (OSK)	192	74
Turkish lira (TRY)	169	111
Singapore dollar (SGD)	168	138
Polish zloty (PLN)	150	145
Hong Kong dollar (HKD)	133	150
Czech koruna (CZK)	128	117
Thai baht (THB)	120	131
Mexican peso (MXN)	114	58
Qatari riyal (QAR)	111	12
New Zealand dollar (NZD)	93	316
Russian ruble (RUB)	37	488
Barbadian dollar (BBD)	8	119
Other foreign currencies (individual balances less than £100k)	1,080	932
Total foreign currency risk	19,926	13,894

At 31 December 2018, if the GBP had weakened by 5% against the above currencies with all other variables held constant, the recalculated post-tax profit for the year would have been £1,049k (2017: £731k) higher. Conversely a 5% strengthening of GBP would have resulted in the post-tax profit being £949k (2017: £662k) lower.

21. FINANCIAL RISK MANAGEMENT - CONTINUED

Interest rate risk management
The Company paid interest on finance leases and for bank vault charges of £652k (2017: £24k) during the year. Interest on finance leases are fixed at the inception of the lease. The vault charges are based on a fixed percentage of the closing stock held by the third party. Interest payable on trade and other payables is not material as payments are made within agreed credit terms.

The Company is therefore not exposed to any material interest rate risk.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk arises from the possibility that the Company will incur losses through the failure of its customers to meet their obligations. The Company does not generally provide credit to its customers but credit exposures can arise, normally for a short period of time, as the Company depends on its customers to pay for monies and services provided and to perform on foreign exchange contracts. All material credit exposures require approval by the Group Credit Committee, comprised of individuals independent of business revenue generation. Credit exposures are monitored regularly against approved risk limits, with client margins called for where appropriate. Payments are made in advance for large shipping orders.

All derivative contracts are held with TTT Moneycorp Limited, a related party, and are deemed recoverable.

No financial assets were past due or impaired as at the 31 December 2018 (2017: nil).

Liquidity risk management
The Company requires clients to pay prior to supplying the bank notes they require and as such the wholesale business is not exposed to short term working capital requirements. In regards to the retail business, the Company is exposed to short term working capital requirements for client payments taken by credit or debit cards. These settlements are received by the Company on the following working day. Working capital requirements are managed as part of the Group liquidity management policy.

Liquidity risk tables
The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. For all financial liabilities the expected maturities are the same as the contractual maturities.

	Within 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	5+ years £000	Total £000
At 31 December 2018					
Obligations under finance lease	54	28	6	-	88
Trade and other payables	71,808	-	-	-	71,808
Derivative financial instruments	57	-	-	-	57
	71,919	28	6	-	71,953
At 31 December 2017 (Restated)					
Obligations under finance lease	57	23	-	-	80
Trade and other payables	27,194	-	-	-	27,194
Derivative financial instruments	28	-	-	-	28
	27,279	23	-	-	27,302

22. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital risk management objective for the Company is to maintain sufficient liquidity to meet operational requirements.

The capital structure of the Company consists of net cash (as disclosed in note 20b) and equity comprising issued capital, reserves and retained earnings as disclosed in the Company's statement of changes in equity.

The Company is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at the year-end is as follows:

	2018 £000	2017 £000
Finance leases	(85)	(80)
Cash and cash equivalents	23,381	32,327
Net cash	23,296	32,247
Equity	43,768	39,652
Net cash to equity ratio	53%	81%

Borrowings are defined as long- and short-term borrowings and finance leases as detailed in this note. Equity includes all capital and reserves of the Company that are managed as capital.

The net cash to equity is in line with expectations.

23. COMMITMENTS AND CONTINGENT LIABILITIES

23a. Operating lease arrangements

The Company as lessee

	2018 £000	2017 £000
Lease payments under operating leases recognised as an expense in the year	44,226	42,396

At balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £000	2017 £000
Within one year	44,001	41,230
In the second to fifth years inclusive	97,547	109,630
After five years	-	6,479
	141,548	157,339

Operating lease payments represent rentals payable by the Company for certain of its office properties and retail outlets at airport locations. The arrangements with these retail outlets typically include a minimum payable amount, plus a contingent element payable based on passenger numbers. A number of leases permit the Company to extend the lease beyond its current term based on market rates at the time of the extension. There are no purchase options contained within the operating lease held by the Company. There are no restrictions imposed on any of the operating leases.

23. COMMITMENTS AND CONTINGENT LIABILITIES - CONTINUED

23b. Other commitments and contingent liabilities

A charge has been provided to a third party bank as a form of security in respect of loans borrowed by Moneta Bidco Limited, a related company. The charge was executed in November 2016 and contains both fixed and floating charges. The charge will extinguish in July 2021 upon repayment of the borrowed funds by Moneta Bidco Limited.

Other than the operating lease commitments and charge above, the Company has no financial commitments or contingent liabilities outside of payables presented on the face of the balance sheet at the reporting date.

24. RELATED PARTY BALANCES AND TRANSACTIONS

24a. Trading transactions

Fees for cash stock facilities paid to Moneycorp Bank Limited, a related company, are disclosed in note 7. Details of related party management charges are disclosed below in note 24d.

Trade receivable and trade payable balances held with related parties at the balance sheet date are disclosed in notes 14 and 17 respectively.

All derivative contracts are entered into with TTT Moneycorp Limited, a related company. Derivative financial instruments held at the balance sheet date are presented in note 15.

As detailed in note 4, in the prior year TTT Moneycorp Limited, a related company, sold the trade and assets relating to the cash services business with a book value of £34,353k to the Company for a consideration of £47,500k. No cash was paid or received as part of the sale and the consideration amount was recorded as part of an intercompany balance. These were included in the Company's balance sheet at book value.

24b. Directors' and management transactions

Mr Horgan's son is employed by the Company in the role of Junior International Bank Note Sales Executive. This employment is on an arm's length basis and his total remuneration is £44k per annum (2017: £27k).

24c. Remuneration of key management personnel

Included within administrative expenses in note 7 are the emoluments for one Director of £325k (2017: £27k).

Two of the Directors of the Company are also directors of TTT Moneycorp Limited, a related company. Emoluments are paid by TTT Moneycorp Limited to these Directors. No emoluments were paid during the period in respect of their services to the Company.

No Directors received compensation for loss of office during the year.

24d. Management charge

	2018 £000	2017 £000
Management charge	4,978	3,145

Management charges are presented within administration expenses. The above amounts reflect the amount recharged to the Company by TTT Moneycorp Limited, a related company, as governed by an intercompany services agreement.

25. ULTIMATE HOLDING COMPANY AND CONTROLLING ENTITY

At balance sheet date, the Directors consider that the Company's immediate parent and controlling party is Regent Acquisitions (Holdings) Limited (100% effective holding), incorporated and registered in Jersey, Channel Islands.

The ultimate holding company is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. This company produces consolidated financial statements and this group represents the largest group that the Company is a subsidiary of.

Consolidated financial statements are also produced for Moneta Midco II Limited, a company incorporated and registered in Jersey, Channel Islands. This group represents the smallest group that the Company is a subsidiary of, for which consolidated financial statements are produced.

The consolidated financial statements for Moneta Topco Limited and Moneta Midco II Limited may be obtained from Floor 5, Zig Zag Building, 70 Victoria Street, SW1E 6SQ.

The ultimate controllers of Moneta Topco Limited at balance sheet date were Bridgepoint Europe IV (Nominees) Limited.

26. EVENTS AFTER THE BALANCE SHEET DATE

The net assets of the wholesale business of the Company were transferred out to a UK branch of Moneycorp (Hong Kong) Limited, a related company, on 11 January 2019.