

**Moneycorp CFX Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2017**

Registered number: 04780562



# Moneycorp CFX Limited

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## Company information

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### Independent auditors

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

### Company Registration Number

04780562

### Date of Incorporation

29 May 2003

### Registered Office

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

### Directors

G Gourlay (appointed 4 December 2017)  
N Haslehurst  
M Horgan

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# Moneycorp CFX Limited

<b>Contents</b>	<b>Pages</b>
Strategic report	4-8
Directors' report	9-11
Independent auditors' report	12-14
Income statement	15
Statement of comprehensive income	16
Balance sheet	17
Statement of changes in equity	18
Statement of cash flows	19
Notes to the consolidated financial statements	20-39

# Moneycorp CFX Limited

## Strategic report

### For the year ended 31 December 2017

The Directors present their report and the audited financial statements for Moneycorp CFX Limited ("the Company") for the year ended 31 December 2017. The Company is domiciled and incorporated in the United Kingdom.

#### Principal activities and overview

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 £47.5m. These have been included in the Company's balance sheet at book value of the net assets sold which was £34.3m.

The excess between the consideration and the net book value of the assets acquired of £13.2m 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 balance of £34.3m in the Company.

As a result of the hive down, in 2017 the company was no longer a dormant entity, therefore an audit has been performed. In prior years the company was dormant, hence no audit was required, and therefore any comparatives are unaudited.

The cash services business has two divisions: retail and wholesale.

The Company's retail division provides specialist foreign exchange stores and ATMs in London and UK airports.

The wholesale division sources and distributes large quantities of foreign exchange banknotes for clients including central banks and international financial institutions primarily in the developing countries.

The Company's mission is working together to become the favourite foreign exchange provider. The vision of the Company is to be first-choice for foreign exchange.

The Company's strategy for the wholesale division is to expand to international markets by winning new customers in international markets.

For the retail division the Company 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.

The Company also seeks to maintain the highest standards of compliance as a strategic priority, thereby reinforcing the trust its customers, partners, wholesalers and regulators place in its brand.

#### 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 these remain critical to long-term sustainable returns. The Company seeks to maintain the highest standards of compliance as a strategic priority, proactively engaging with regulators in all the 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 while the demand for bulk cash by banks in developing nations increases the need to provide efficient and secure wholesale services.

# Moneycorp CFX Limited

## Strategic report

For the year ended 31 December 2017

### Performance measurement

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

The Company's most significant Key Performance Indicators (KPIs) are measured across the 2 main business units 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 they use 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 below.

### Operating review

Revenue and EBITDA are financial performance indicators that management uses internally to assess performance. They are presented here to provide greater understanding of the underlying business performance of the Company's operations.

Revenue and EBITDA within the two main business segments are summarised in the following table. A reconciliation to statutory reported results is also shown.

£m	2017	2016	2016	Growth
Revenue		(MCFX)	(TTT)	
Wholesale	10.0	-	9.9	1%
Retail	67.6	-	69.0	(2%)
<b>Total Revenue</b>	<b>77.6</b>	<b>-</b>	<b>78.9</b>	<b>(2%)</b>
£m				
<b>EBITDA</b>				
Wholesale	3.6	-	4.0	(10%)
Retail	5.0	-	6.9	(28%)
<b>Total EBITDA</b>	<b>8.6</b>	<b>-</b>	<b>10.9</b>	<b>(21%)</b>

The prior year comparatives in the table above and the review below were generated in TTT Moneycorp Limited.

### Wholesale

The wholesale division revenue grew by 1% (2016: 9% decrease). This business primarily serves developing countries that generate income through exporting commodities such as Oil. New customer acquisition in this market continues to progress well.

**Moneycorp CFX Limited**  
**Strategic report**  
For the year ended 31 December 2017

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**Retail**

The retail division was operating 35 Bureaus (2016: 39) and 125 ATMs (2016: 128) at the end of 2017. The division generated a 2% decrease (2016: 11% increase) in revenue resulting from the closure of the London bureaus.

Customer transactions continue to shift from walk up to reserve and collect due to the availability of more favorable rates and the business unit continues to refine its proposition to meet these needs. During the year reserve and collect transactions (whereby consumers book online and pick up at the store), grew 6% (2016: 12%).

**EBITDA**

EBITDA decreased by £2.3m (2016: £0.9m increase) to £8.6m (2016: £10.9m).

**Profit for the year**

The Company reported a statutory profit for the year of £0.97m (2016: nil).

An explanation of the items contributing to the statutory profit is detailed below.

**Depreciation and amortisation**

The Company charged £52k of amortisation of intangibles in the year (2016: nil). The depreciation charge for the year was £1.3m (2016: nil).

**One off items**

The Company has reported one off operating income of £0.5m (2016: nil). The key items making up these balances are as follows:

Bureau closures completion funds – in 2017 the Company received funds from the completion of London bureau closures of £0.7m.

Employee compensation – Costs of £0.2m were paid during the year to employees of the closed London bureaus.

**Taxation**

The tax charge for the continuing business was nil (2016: nil).

**Outlook**

The Company has made a solid start to 2018 and remains focused on delivering substantial growth.

The Company has extended its contract at Gatwick in 2018 and is in the process of extending its contract at Stansted. The Company has also won a tender to continue to provide foreign exchange services at Bristol for 5 years commencing 1 June 2018.

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In Q1 the wholesale division has focused on expanding its international operations and on-boarded a number of international clients.

# **Moneycorp CFX Limited**

## **Strategic report**

For the year ended 31 December 2017

### **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 note (see Note 4).

### **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 organization. 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 challenges reside with senior managers, audit committee, internal audit, the independent risk function and the Company risk committee and ultimately the Board.

Moneycorp CFX Limited has identified the following key areas of risk:

#### **Operational risk**

Operational risk exposures are identified, managed and controlled by management at all levels of the organization. Internal controls include the organizational 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.

#### **Currency risk**

The Company maintains bank balances and currency stocks in a number of currencies and invoices and receives payments in these currencies.

#### **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.

**Moneycorp CFX Limited**  
**Strategic report**  
For the year ended 31 December 2017

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**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 deemed appropriate.

Individual credit terms are set and monitored regularly, 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.

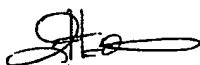
**Regulation and compliance risk**

The Company is registered with HMRC as a Money Service Business. Regulatory and compliance policy is led centrally by the group Compliance and Risk Manager and there is a dedicated team in the business to ensure compliance with Anti Money Laundering (AML), 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.

**Litigation**

The Company is not involved in any legal proceedings and commercial disputes.

On behalf of the Board



N Haslehurst  
Director  
17 July 2018

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# **Moneycorp CFX Limited**

## **Directors' report**

For the year ended 31 December 2017

The Directors present their report and the audited consolidated financial statements of Moneycorp CFX Limited (the Company) for the year ended 31 December 2017.

The Company financial statements comprise the consolidated financial statements of the Company, including its subsidiaries and associated undertakings as defined by International Financial Reporting Standards as adopted by the European Union (EU IFRS).

### **Controlling interest**

The ultimate holding Company is Moneta Topco Limited 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, Cash Services (appointed 4 December 2017)
Executive Director	N Haslehurst	Chief Financial and Operating Officer
Executive Director	M Horgan	Group Chief Executive

No interim dividends were declared during the current or prior year and the Directors do not recommend the payment of a final dividend (2016: £nil).

### **Outlook**

The outlook for the Company is discussed 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.

**Moneycorp CFX Limited**  
**Directors' report**  
For the year ended 31 December 2017

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**Going concern assessment**

The Directors assess the Company's going concern for a period of at least 12 months from the balance sheet date 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.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report, Strategic 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 ("IFRSs") as adopted by the European Union and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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~~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.~~

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~~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~~

**Moneycorp CFX Limited**  
**Directors' report**  
For the year ended 31 December 2017

**Disclosure of information to independent auditors**

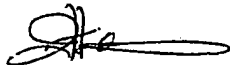
In accordance with Section 418 of the Companies Act 2006, each Director in office at the date of approval of this report has confirmed that:

- (a) As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) They 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 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.

On behalf of the Board



N Haslehurst  
Director  
17 July 2018

## Moneycorp CFX Limited

### Independent auditors' report to the members of Moneycorp CFX Limited

For the year ended 31 December 2017

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#### 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 2017 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, which comprise: the balance sheet as at 31 December 2017; the income statement, 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

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

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.

##### 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.

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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.

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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.

## **Moneycorp CFX Limited**

### **Independent auditors' report to the members of Moneycorp CFX Limited** **For the year ended 31 December 2017**

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 2017 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 10, 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](http://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.

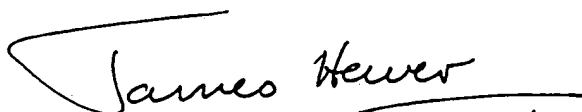
We have no exceptions to report arising from this responsibility.

**Moneycorp CFX Limited**  
**Independent auditors' report to the members of Moneycorp CFX Limited**  
For the year ended 31 December 2017

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**Other matter**

The financial statements for the year ended 31 December 2016, forming the corresponding figures of the financial statements for the year ended 31 December 2017, are unaudited as the company was dormant from 1 January 2015 to 31 December 2016 and thus did not require an audit.

A handwritten signature in black ink that reads "James Hewer". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

James Hewer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
17 July 2018

**Moneycorp CFX Limited**  
**Income statement**  
For the year ended 31 December 2017

		Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
<b>Continuing operations:</b>	<b>Note</b>		
Income	5	77,561	-
Administrative expenses	6	(76,543)	-
<b>Operating profit</b>	<b>6</b>	<b>1,018</b>	<b>-</b>
Finance costs	9	(48)	-
<b>Profit before tax</b>		<b>970</b>	<b>-</b>
Tax	10	-	-
<b>Profit for the year</b>		<b>970</b>	<b>-</b>

**Moneycorp CFX Limited**  
**Statement of comprehensive income**  
For the year ended 31 December 2017

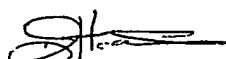
	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Profit for the year	970	
Total Other Comprehensive Income for the year net of tax	-	-
Total Comprehensive Income for the year	970	-



**Moneycorp CFX Limited**  
**Balance sheet**  
As at 31 December 2017

		31 December 2017 £000	31 December 2016 £000
<b>Non-current assets</b>	<b>Note</b>		
Intangible assets	11	164	-
Property, plant and equipment	12	1,929	-
		<u>2,093</u>	<u>-</u>
<b>Current assets</b>			
Inventories	13	298	-
Trade and other receivables	14	56,519	4,329
Cash and bank balances	20	32,327	-
		<u>89,144</u>	<u>4,329</u>
<b>Total assets</b>		<u>91,237</u>	<u>4,329</u>
<b>Current liabilities</b>			
Trade and other payables	16	(51,505)	-
Obligations under finance leases	15	(80)	-
		<u>(51,585)</u>	<u>-</u>
<b>Net current assets</b>		<u>39,652</u>	<u>-</u>
<b>Total liabilities</b>		<u>(51,585)</u>	<u>-</u>
<b>Net assets</b>		<u>39,652</u>	<u>4,329</u>
<b>Equity</b>			
Share capital	18	4,044	4,044
Capital contribution		34,353	-
Retained earnings	19	1,255	285
<b>Total equity</b>		<u>39,652</u>	<u>4,329</u>

The financial statements on pages 15 to 39 were approved by the Board of Directors on 17 July 2018 and signed on its behalf by:



N Haslehurst  
Director

**Moneycorp CFX Limited****Statement of changes in equity**

For the year ended 31 December 2017

	Share Capital £000	Capital contribution £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2016	4,044	-	285	4,329
Profit for the year	-	-	-	-
Balance at 31 December 2016 and at 1 January 2017	4,044	-	285	4,329
Capital contribution	-	34,353	-	34,353
Profit for the year	-	-	970	970
Balance at 31 December 2017	4,044	34,353	1,255	39,652

**Moneycorp CFX Limited**  
**Statement of cash flows**  
For the year ended 31 December 2017

		Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
<b>Net cash generated from operating activities</b>	<b>Note 20</b>	<b>13,154</b>	<b>-</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment	12	(3,180)	-
Purchase of computer software	11	(216)	-
<b>Net cash used in investing activities</b>		<b>(9,758)</b>	<b>-</b>
<b>Financing activities</b>			
Finance Leases		80	-
Repayments of obligations under finance leases		(47)	-
Cash acquired on hive down		22,536	-
<b>Net cash generated from financing activities</b>		<b>22,569</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>32,327</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of year</b>		<b>32,327</b>	<b>-</b>

## Moneycorp CFX Limited

### Notes to the company financial statements

For the year ended 31 December 2017

#### 1. General information

Moneycorp CFX Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page 2. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 4 to 8.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out in note 3.

#### 2. New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IAS 7	<i>Disclosure Initiative - Amendments to IAS 7</i>
IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12</i>
IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2</i>
	<i>Transfers of Investment Property (Amendments to IAS 40)</i>
IFRIC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>
IFRS 16	<i>Leases</i>
Annual improvements to IFRSs: 2012 – 2014	<i>Amendment to: IAS 28 Investments in Associates and Joint Ventures, IFRS 12 Disclosure of Interests in Other Entities</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

#### Issued and effective

IFRS 15 Revenue from Contracts with Customers

IFRS 9 Financial Instruments

The directors have made an impact assessment for IFRS 9 Financial Instruments. The Company has assessed the impact of assets held at amortised cost, mainly cash held at banks. Based on the associated credit risk of our counterparties, and our assessment to date, we believe the impact will not be material.

The directors have also made an impact assessment for IFRS 15 Revenue from Contracts with Customers. For the Wholesale and Retail business the performance obligation is satisfied either immediately or within a few days and therefore it has been concluded that the standard won't have a material impact on these businesses.

# **Moneycorp CFX Limited**

## **Notes to the company financial statements**

For the year ended 31 December 2017

### **3. Significant accounting policies**

#### **Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC). The principal accounting policies, which have been applied consistently, are set out below. These policies have been consistently applied to all the years presented unless otherwise stated. These financial statements have been presented to the nearest thousand pounds.

#### **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 £47.5m. These have been included in the Company's balance sheet at book value of the net assets sold which was £34.3m.

The excess between the consideration and the net book value of the assets acquired of £13.2m 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 balance of £34.3m in the Company.

As a result of the hive down, in 2017 the company was no longer a dormant entity, therefore an audit has been performed. In prior years the company was dormant, hence no audit was required, and therefore any comparatives are unaudited.

#### **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.

Computer software costs capitalised as part of business combinations are amortised on a straight line basis over 4 years.

#### **Property, plant and equipment**

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

Depreciation is recognised so as to write off the cost or valuation less their residual values over their useful lives, using the straight-line method, on the following bases:

Motor vehicles	25%
Fixtures and fittings	15%
Computer equipment	25%

The estimated useful lives, residual values and depreciation method 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 scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

## **Moneycorp CFX Limited**

### **Notes to the company financial statements**

For the year ended 31 December 2017

#### **3. Significant accounting policies (continued)**

##### **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 profit or loss, 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 so 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 profit or loss, 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, phones 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.

##### **Foreign currencies**

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

##### **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.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. To the extent that this definition is not met, the proceeds of the issue are classified as a financial liability.

##### **Financial assets**

Cash and cash equivalents comprise cash 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.

##### **Derecognition of financial assets**

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.

##### **Equity instruments**

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**3. Significant accounting policies (continued)**

***Financial liabilities***

Borrowings are initially measured at fair value less attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

***Derecognition of financial liabilities***

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

***Income recognition***

Income is the net value of currencies bought and sold as well as other sales.

Retail income comprises the value of currencies traded as a result of the Company's operation of bureaux de change. It also includes transactions involving money transfers, banker's drafts, credit cards, sales of travellers' cheques and encashment of personal cheques. Income is recognised when the transaction is made.

The Wholesale business provides money services by supplying foreign currency notes to individuals and businesses. Income is recognised on the trade date of the currency order.

***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 profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

***Operating leases***

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

***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 17 includes contribution payable by the Company to the fund.

***Taxation***

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

## **Moneycorp CFX Limited**

### **Notes to the company financial statements**

For the year ended 31 December 2017

#### **3. Significant accounting policies (continued)**

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

##### **Current tax and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, 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.

##### **Provisions**

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the business. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Where possible outflows from the business are considered improbable, that is considered a contingent liability and no liability is recognised.

##### **Trade receivables**

Trade debtors are recognised at original invoice value being the best estimate of fair value, less provisions made for impairment. A provision for impairment of trade debtors is established when there is objective evidence that amounts due will not be able to be collected according to the original terms.

The amount of the provision is recognised in the profit or loss account by reference to the expected future cash flows. When the trade debtor is deemed uncollectable, it is written off against the provision for trade debtors.

##### **Trade payables**

Trade creditors are recognised at original invoice value being the best estimate of fair value.

##### **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on pages 9 to 11.

#### **4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, 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.



**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

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

***Critical judgements in applying the Company's accounting policies***

There are considered to be no critical accounting judgements for the Company.

***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the 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.

**Useful lives of property, plant and equipment**

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

**5. Income**

Income comprises the gross value of traded currencies, foreign currency options and other sales, less the gross value of traded currencies and other purchases made in the United Kingdom.

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Gross value of traded currencies, foreign currency options and other sales	941,569	-
Gross value of traded currencies and other purchases	(864,008)	-
	<u>77,561</u>	<u>-</u>

**6. Operating profit**

Operating profit for the year has been arrived at after charging:

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Operating lease rentals	14	-
Amortisation of intangible assets (see note 11)	52	-
Depreciation of property, plant and equipment (see note 12)	1,251	-
Staff costs (see note 8)	<u>9,035</u>	<u>-</u>

# **Moneycorp CFX Limited**

## **Notes to the company financial statements**

For the year ended 31 December 2017

### **7. Auditors' remuneration**

The analysis of the auditors' remuneration is as follows:

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	78	-
<b>Total audit fees</b>	<b>78</b>	<b>-</b>

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

### **8. Staff costs**

The average monthly number of employees (including executive directors) was:

	2017 Number	2016 Number
Management and administration	11	-
Operations	383	-
	<b>394</b>	<b>-</b>

Their aggregate remuneration comprised:

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Wages and salaries	8,093	-
Social security costs	689	-
Other pension costs (see note 17)	253	-
	<b>9,035</b>	<b>-</b>

Included within the table above are the emoluments of G Gourlay of £27k. The emoluments of the other directors were borne by TTT Moneycorp Limited, a related company.

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**9. Finance costs**

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Other interest Payable	48	-
	<u>48</u>	<u>-</u>

**10. Tax**

Corporation tax is calculated at 19.25% (2016: 20%) of the estimated taxable gain for the year.

The total tax for the year can be reconciled to the gain in the income statement as follows:

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Profit before tax	970	-
Tax at the UK corporation tax rate of 19.25% (2016: 20 %)	184	-
Tax effect of expenses that are not deductible	-	-
Tax losses where no deferred tax is recognised	-	-
Prior year adjustments	-	-
Group relief received	(184)	-
Effect of change in corporation tax rate	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Total tax (credit)/charge for the year	<u>-</u>	<u>-</u>

The Finance Act 2015 which was substantively enacted on 26 October 2015 included legislation to reduce the corporation tax rate applicable from 1 April 2017 to 19% and from 1 April 2020 to 18%.

On 16 March 2016, the Government announced that the corporation tax rate applicable from 1 April 2020 would be 17%.

## Moneycorp CFX Limited

### Notes to the company financial statements

For the year ended 31 December 2017

#### 11. Intangible assets

Cost	Internally developed software £000
At 1 January 2016	-
Additions	-
At 31 December 2016 and 1 January 2017	-
Additions	216
At 31 December 2017	216
Accumulated amortisation and impairment	
At 1 January 2016	-
Additions	-
At 31 December 2016 and 1 January 2017	-
Charge for the year	52
At 31 December 2017	52
Carrying amount	
At 31 December 2017	164
At 31 December 2016	-

The additions are part of the transfer of assets from TTT Moneycorp Limited (as explained in note 3).

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**12. Property, plant and equipment**

	Fixtures and fittings £000	Computer equipment £000	Finance leases £000	Total £000
<b>Cost</b>				
At 1 January 2016	-	-	-	-
Additions	-	-	-	-
Disposal	-	-	-	-
At 31 December 2016 and 1 January 2017	-	-	-	-
Additions	2,759	161	260	3,180
Disposals	-	-	-	-
At 31 December 2017	2,759	161	260	3,180
<b>Accumulated depreciation and impairment</b>				
At 1 January 2016	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
At 31 December 2016 and 1 January 2017	-	-	-	-
Charge for the year	975	108	168	1,251
Disposals	-	-	-	-
At 31 December 2017	975	108	168	1,251
<b>Carrying amount</b>				
At 31 December 2017	1,784	53	92	1,929
At 31 December 2016	-	-	-	-

The finance leases relate to ATM machines which had a net book value of £92k (2016: nil).

## Moneycorp CFX Limited

### Notes to the company financial statements

For the year ended 31 December 2017

#### 13. Inventories

	31 December 2017 £000	31 December 2016 £000
Maps, phone card and train tickets	298	-
	<u>298</u>	<u>-</u>

£2.0m (2016: nil) of inventories were expensed during the year. These were included within the cost of sales.

#### 14. Trade and other receivables

	31 December 2017 £000	31 December 2016 £000
Trade receivables	44,167	-
Allowance for doubtful debts	-	-
	<u>44,167</u>	<u>-</u>
Amounts owed by Parent undertakings	-	4,329
Amounts owed by Group undertakings	11,762	-
Other debtors	315	-
Corporation tax	-	-
Prepayments	275	-
	<u>56,519</u>	<u>4,329</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore recognised at fair value and then measured at amortised cost.

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**15. Obligations under finance leases**

	<b>Minimum lease payments</b>	
	<b>31 December 2017 £000</b>	<b>31 December 2016 £000</b>
<b>Amounts payable under finance leases:</b>		
Within one year	57	-
In the second to fifth years inclusive	23	-
After five years	-	-
	<hr/>	<hr/>
<b>Present value of lease obligations</b>	<b>80</b>	<b>-</b>
	<hr/>	<hr/>
<b>Analysed as:</b>		
Amounts due for settlement within 12 months (shown under current liabilities)	57	-
Amounts due for settlement after 12 months	23	-
	<hr/>	<hr/>
	<b>80</b>	<b>-</b>
	<hr/>	<hr/>

	<b>Present value of minimum lease payments</b>	
	<b>31 December 2017 £000</b>	<b>31 December 2016 £000</b>
<b>Amounts payable under finance leases:</b>		
Within one year	57	-
In the second to fifth years inclusive	23	-
After five years	-	-
	<hr/>	<hr/>
	<b>80</b>	<b>-</b>
	<hr/>	<hr/>

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 4 years. For the year ended 31 December 2017, the average effective borrowing rate was 0.39 per cent (2016: 0.39 per cent). 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 Sterling.

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

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

## Moneycorp CFX Limited

### Notes to the company financial statements

For the year ended 31 December 2017

#### 16. Trade and other payables

	31 December 2017 £000	31 December 2016 £000
Trade payables and accruals	51,122	-
Amount owed to group companies	383	-
	<u>51,505</u>	<u>-</u>

Trade creditors and accruals principally comprise of amounts outstanding for customer balances, 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.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

#### 17. Defined contribution pension plan

The Company is part of the Moneycorp group 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 2017 the Company had a liability of approximately £34k (31 December 2016 nil), included in other liabilities in the accompanying balance sheet, related to the pension scheme. During the year the company made pension contributions to the scheme on behalf of key management of nil (2016: nil).

#### 18. Called up share capital

	31 December 2017 £000	31 December 2016 £000
Authorised: 4,044 thousand (2016: 4,044 thousand) ordinary shares of £1 each	4,044	4,044
Issued and fully paid: 4,044 thousand (2016: 4,044 thousand) ordinary shares of £1 each	4,044	4,044

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



**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**19. Retained earnings**

	£000
Balance at 1 January 2016	285
Profit for the year	-
Balance at 31 December 2016 and at 1 January 2017	285
Profit for the year	970
Balance at 31 December 2017	<u>1,255</u>

# **Moneycorp CFX Limited**

## **Notes to the company financial statements**

For the year ended 31 December 2017

### **20. Notes to the statement of cash flows**

		Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Operating profit		1,018	-
Adjustments for:			
Depreciation of property, plant and equipment	12	1,251	-
Amortisation of intangible assets	11	52	-
Operating cash flows before movements in working capital		2,321	-
(Increase)/decrease in inventories		(298)	-
Increase in receivables		24,228	-
Decrease in payables		(13,097)	-
Cash generated by operations		13,154	-
Net cash generated from operating activities		13,154	-

Additions to fixtures and equipment during the year amounting to £72k (2016: £117k) were financed by new finance leases.

### **Cash and cash equivalents**

	31 December 2017 £000	31 December 2016 £000
Cash and bank balances	32,327	-
	32,327	-

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**21. Operating lease arrangements**

**The Company as lessee**

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Lease payments under operating leases recognised as an expense in the year	42,396	-

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

	31 December 2017 £000	31 December 2016 £000
Within one year	41,230	-
In the second to fifth years inclusive	109,630	-
After five years	6,479	-
	<u>157,339</u>	<u>-</u>

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.

**22. Financial Instruments**

**Capital risk management**

The Company manages its capital to ensure that entity will be able to continue as a going concern.

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

## Moneycorp CFX Limited

### Notes to the company financial statements

For the year ended 31 December 2017

#### 22. Financial Instruments (continued)

##### Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

##### Categories of financial instruments

	31 December 2017 £000	31 December 2016 £000
<b>Financial assets</b>		
Cash and bank balances	32,327	-
Loans and receivables	56,519	-
	<u>88,846</u>	<u>-</u>
<b>Financial liabilities</b>		
Borrowings and payables	(51,585)	-
	<u>37,261</u>	<u>-</u>

The above carrying values are the best estimation for their fair values at the balance sheet date.

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**22. Financial Instruments (continued)**

**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 principle business activities involve the provision of specialist foreign exchange stores and ATMs and the sourcing and distribution of large quantities of foreign exchange banknotes. The Company has considered risks including market risk (currency risk, fair value, interest rate risk and price risk), liquidity risk and cash flow interest rate risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Foreign currency risk management**

The Company does maintain cash bank balances in a number of currencies, and is therefore exposed to movements in foreign exchange rates.

The Company holds foreign currency stocks and earns profit denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise.

Exchange rate exposures are managed within approved policy parameters utilising hedging.

The results of the foreign subsidiaries do not give rise to material exposure to exchange rate fluctuations as can be seen in note 24.

**Interest rate risk management**

Interest received from trade and other receivables is not material as credit terms are either not provided or where provided payments are generally made within the terms. Interest payable to trade and other payables is also not material as payments are made within agreed credit terms. The business model of the Company is also not to take interest rate risk and positions are back out on a one for one basis further minimising any exposure to interest rate risk.

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

**Other price risks**

The Company is not exposed to any other price risks.

**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 from the failure of its customers to meet their obligations. The Company does provide a limited amount of credit to its customers and 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 Credit Committee comprising individuals independent of business revenue generation. Credit exposures are monitored regularly against approved risk limits, with client margins called for where appropriate.

## Moneycorp CFX Limited

### Notes to the company financial statements

For the year ended 31 December 2017

#### 22. Financial Instruments (continued)

##### Liquidity risk management

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. These 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 based on 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. The contractual maturity is based on the earliest date on which the Company may be required to pay. 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
<b>31 December 2017</b>					
Obligations under finance lease	57	23	-	-	80
Trade and other payables	51,505	-	-	-	51,505
	<u>51,562</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>51,585</u>
<b>31 December 2016</b>					
Obligations under finance lease	-	-	-	-	-
Trade and other payables	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Moneycorp CFX Limited**  
**Notes to the company financial statements**  
For the year ended 31 December 2017

**23. Ultimate holding company and controlling entity**

At the Balance Sheet date, the immediate holding company is Regent Acquisitions (Holdings) Limited, a company 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 which may be obtained from Zig Zag Building (5th Floor), 70 Victoria Street, London SW1E 6SQ. The ultimate controllers of Moneta Topco Limited at the balance sheet date was Bridgepoint Europe IV (Nominees) Limited.

**24. Related party transactions**

Balances between the Company and TTT Moneycorp Limited, a related company, are disclosed part of other receivables in note 14 to the financial statements.

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 £47.5m. These have been included in the Company's balance sheet at book value of the net assets sold which was £34.3m.

Balances between the Company and Moneycorp Shared Services Limited, a related company, are disclosed part of other payables in note 16 to the financial statements.

Balances between the Company and Moneycorp Bank Limited, a related company, are disclosed part of other payables in note 16 to the financial statements.

