

Company Registration 5393810

Travelex Payments Limited

Report and financial statements
for the year ended 31 December 2010



Travelex Payments Limited

Directors' report

for the year ended 31 December 2010

The Directors present their annual report and the audited financial statements of Travelex Payments Limited (the Company) for the year ended 31 December 2010

Sale of business

As part of a programme to improve efficiency the Travelex UK payments businesses were consolidated into one legal entity. As a result, on the 31 December 2009 the operational assets and liabilities of the Company, were sold to Travelex Global Business Payments Limited, a parent company for a consideration of £108m. The Company has been dormant throughout the year and is likely to remain so.

Results and dividends

The Company's profit for the year is £nil (2009 £102.2m). The profit and loss account is set out on page 3 and shows the result for the year. No interim dividends were declared during the year and the Directors do not recommend the payment of a final dividend (2009 £116.2m).

Principal risks and uncertainties

With the sale of the business to Travelex Global Business Payments Limited the company is no longer subject to any significant risks or uncertainties.

Directors

The Directors who held office during the period and to the date of these accounts were

JE Birch (resigned 11 February 2010)
A Woolley
A Wilson (resigned 18 January 2010)
D Sear (appointed 11 February 2010)
G Heald (appointed 11 February 2010)

Employees

The Company has no employees.

Events after the balance sheet date

There have been no significant events after the balance sheet date.

Charitable donations

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

Travelex Payments Limited

Directors' report

for the year ended 31 December 2010

Statement of directors' responsibilities

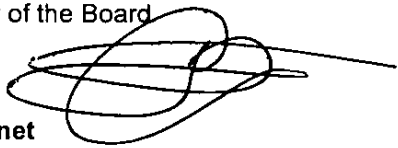
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board


S M Pignet
Secretary
Date 24th May 2011

Registered office
65 Kingsway
London
WC2B 6TD

Registered number
5393810

Travelex Payments Limited
Profit and loss account
for the year ended 31 December 2010

| £'000 | Note | 2010 | 2009 |
|--|-------------|-------------|-------------|
| Revenue | | - | 26,736 |
| Cost of sales | | - | (5,386) |
| Gross profit | | - | 21,350 |
| Administrative expenses | | - | (13,297) |
| Operating profit | | - | 8,053 |
| Profit on sale of business | 2 | - | 96,411 |
| Interest receivable and similar income | 3 | - | 79 |
| Interest payable and similar charges | 4 | - | (62) |
| Profit before tax | 5 | - | 104,481 |
| Tax | 7 | - | (2,325) |
| Profit for the financial year | | - | 102,156 |

The notes form an integral part of these financial statements

Travelex Payments Limited

Balance sheet

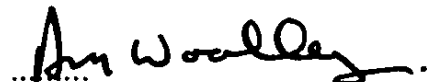
As at 31 December 2010

| £'000 | Note | 2010 | 2009 |
|----------------------------------|------|--------|--------|
| Current assets | | | |
| Debtors | 10 | 10,000 | 10,000 |
| Net current assets | | 10,000 | 10,000 |
| Net assets | | 10,000 | 10,000 |
| Capital and reserves | | | |
| Share capital | 11 | 10,000 | 10,000 |
| Retained earnings | 12 | - | - |
| Total shareholders' funds | | 10,000 | 10,000 |

The notes form an integral part of these financial statements

For the year ending 31 December 2010 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 24th May 2011 and were signed on its behalf by

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A Woolley Director

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2010

1 Accounting policies

General information

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

Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards and the Companies Act 2006.

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

Cash flow statement

Under FRS 1 'Cash flow statements', the Company is exempt from the requirement to include a cash flow statement in its financial statements because it is a wholly owned subsidiary of Travelex Holdings Limited whose publicly available consolidated financial statements include the cash flows of the Company.

Revenue recognition

Revenue is the currency margin on transactions undertaken in the period at the rates prevailing on the transaction date plus any commission charged, and is recognised on a trade date basis. It also includes changes in the fair value of the derivative assets and liabilities. In addition, revenue includes income from investment activities which is derived from the interest earned on the investment of funds generated from the receipt of customer monies that have yet to be paid away.

Cost of sales

Cost of sales comprises direct selling costs including direct salaries and incentive commissions.

Exceptional items

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

Income taxes

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

Deferred taxation

In accordance with FRS 19, 'Deferred tax', full provision is made for deferred tax liabilities arising from timing differences due to the different treatment of certain items for taxation and accounting policies. The provision is calculated at the average tax rates that are expected to apply when the timing differences are expected to reverse and is not discounted. No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a binding commitment to dispose of the assets at the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not there will be suitable taxable profit from which the future reversal of the underlying timing difference can be deducted.

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2010

1 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. All other exchange profits and losses, which arise from normal trading activities, are included in the profit and loss as incurred.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Contingent liabilities

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Pension costs

Contributions to the Company's defined contribution pension scheme is charged to the profit and loss account as incurred.

Segmental Reporting

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

2 Profit on sale of business

The profit on sale of business relates to the disposal of the Company's operations and assets and liabilities to Travelex Global Business Payments Limited, a parent company. The consideration of £108m resulted in a profit on sale of £96.4m. The profit on sale is laid out as follows:

| £'000 | 2010 | 2009 |
|---|-------------|---------------|
| Fixed assets | - | 124 |
| Current assets | - | 36,550 |
| Total assets | - | 36,674 |
| Current liabilities | - | 25,085 |
| Book value of total assets less current liabilities | - | 11,589 |
| Consideration for sale of business | - | 108,000 |
| Profit on sale of business | - | 96,411 |

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2010

3. Interest receivable and similar income

| £'000 | 2010 | 2009 |
|--|-------------|-------------|
| Bank interest | - | 22 |
| Interest receivable from group undertakings | - | 57 |
| Total interest receivable and other items | - | 79 |

4. Interest payable and similar charges

| £'000 | 2010 | 2009 |
|---|-------------|-------------|
| Bank loans and overdrafts | - | (62) |
| Interest payable to group undertakings | - | - |
| Total interest payable and other charges | - | (62) |

5. Profit before tax

Profit before tax is stated after charging (crediting)

| £'000 | 2010 | 2009 |
|---------------------------------------|-------------|-------------|
| Profit on disposal of business | - | (96,411) |
| Depreciation of owned tangible assets | - | 234 |
| Profit on disposal of tangible assets | - | (42) |
| Amortisation of intangible assets | - | 377 |
| Operating lease payments | - | 334 |

Auditors remuneration

Remuneration of the Company's auditors is paid and borne by a fellow subsidiary undertaking of the ultimate holding company, Travelex Holdings Limited, the recharge being £nil (2009 £75,000)

6. Employees and directors

The average number of persons employed during the period by the Company, calculated on a full time equivalent basis, analysed by geographical location was

| Average number | 2010 | 2009 |
|-----------------------|-------------|-------------|
| UK | - | 229 |

On 31 December 2009, as part of the sale of the assets and liabilities of the Company, 247 employees transferred to Travelex Global Business Payments Limited

| Staff costs for the year | | |
|---------------------------------|-------------|--------------|
| £'000 | 2010 | 2009 |
| Wages and salaries | - | 8,117 |
| Social security costs | - | 911 |
| Other pension costs | - | 193 |
| | - | 9,221 |

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2010

6. Employees and directors (continued)

Directors' emoluments

| £'000 | 2010 | 2009 |
|-----------------------|-------------|-------------|
| Aggregate emoluments | - | 168 |
| Pension contributions | - | 11 |
| | - | 179 |

The emoluments of the Company's directors are borne by a fellow subsidiary undertaking of the Ultimate holding Company without recharge. The Directors are directors of a number of Subsidiary undertakings within the Group and accordingly there is no aggregate remuneration in the Company.

7. Tax

| £'000 | 2010 | 2009 |
|--|-------------|-------------|
| Current tax | | |
| Current tax charge on current year profit | - | 2,283 |
| Adjustments to current tax in respect of prior periods | - | 16 |
| Total current tax charge | - | 2,299 |
| Deferred tax | | |
| Deferred tax charge on current year profit | - | 42 |
| Adjustments to deferred tax in respect of prior period | - | (16) |
| Total deferred tax charge (note 8) | - | 26 |
| Tax charge for the year | - | 2,325 |

There is no taxation for the current year. The tax for 2009 is lower than the standard rate of corporation tax in the UK (2009: 28%). The differences are explained below.

| £'000 | 2010 | 2009 |
|---|-------------|-------------|
| Profit on ordinary activities before tax | - | 104,481 |
| Profit multiplied by the standard rate of UK corporation tax of 28% (2009: 28%) | - | 29,255 |
| Effects of | | |
| Profit on sale of discontinuing operations not taxable | - | (26,996) |
| Expenses not deductible for tax purposes | - | 67 |
| Accelerated capital allowances | - | (42) |
| Adjustments in respect of prior period | - | 15 |
| Current tax charge | - | 2,299 |

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2010

8. Deferred taxation

| £'000 | 2010 | 2009 |
|--|-------------|-------------|
| At 1 January | - | 418 |
| (Debit) to the profit and loss account | - | (26) |
| At 31 December | - | 392 |
| Analysis of deferred tax balances | | |
| Accelerated capital allowances | - | 392 |
| Total deferred tax asset | - | 392 |

The rate used to calculate deferred taxation is 28%

9. Distributions to equity holdings in the year

| £'000 | 2010 | 2009 |
|---|-------------|-------------|
| Interim dividend paid of £11 617 per Ordinary share | - | 116,171 |

10 Debtors

| £'000 | 2010 | 2009 |
|------------------------------------|---------------|-------------|
| Amounts owed by group undertakings | 10,000 | 10,000 |

Amounts owed by group undertakings are unsecured interest free, have no fixed date of repayment and are repayable on demand

11. Share capital

The share capital of the Company is as follows

| | | 2010 | | 2009 |
|----------------------------|------------|--------|------------|--------|
| | Number | £'000 | Number | £'000 |
| Ordinary shares of £1 each | 10,000,000 | 10,000 | 10,000,000 | 10,000 |

12. Reserves

The movement on Company reserves is as follows

| £'000 | Share capital | Retained earnings | Total equity |
|---|----------------------|--------------------------|---------------------|
| At 1 January 2009 | 10,000 | 14,015 | 24,015 |
| Profit for the year | - | 102,156 | 102,156 |
| Dividend paid | - | (116,171) | (116,171) |
| At 31 December 2009 and 31 December 2010 | 10,000 | - | 10,000 |

Share capital is determined using the nominal value of shares that have been issued. Retained earnings are the accumulated retained profits of the Company.

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2010

13 Related party transactions

As a wholly owned subsidiary whose results are included in the consolidated financial statements of Travelex Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8, 'Related Party Disclosures', from the requirements to disclose transactions with other Group companies

14. Contingent liabilities

On 2 August 2005 the Group arranged a package of facilities to finance the acquisition of the Travelex Group of companies as well as its ongoing cash flow requirements

With effect from 2 August 2005 Travelex Payments Limited, alongside most subsidiaries of the Group, agreed to stand as guarantor of certain senior, mezzanine and dealing lines facilities provided to the Group by a consortium of banks and investors. The guarantees by Travelex Payments Limited extend to all amounts outstanding and due for payment at any time by an obligor under or in connection with the guaranteed financing documents. The mezzanine facility was repaid in full in 2007. The balance outstanding under these guarantees as at 31 December 2010 was £648.7m

15 Ultimate and intermediate parent undertakings

The immediate parent undertaking is Travelex Global Business Payments Limited

The smallest group in which the results of the Company are consolidated is that of TP Financing 4 Limited, a company incorporated in Jersey. Copies of that company's financial statements can be obtained from 65 Kingsway, London, WC2B 6TD

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