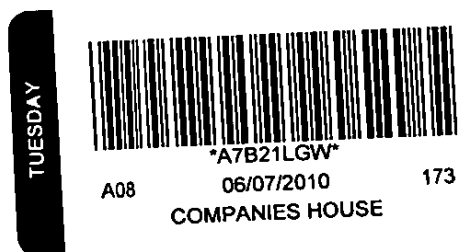


Travelex Payments Limited

Report and financial statements
for the year ended 31 December 2009



Travelex Payments Limited
Directors' report
for the year ended 31 December 2009

The Directors present their annual report and the audited financial statements of Travelex Payments Limited (the Company) for the year ended 31 December 2009

Principal activities

The Company's principal activity during the year was the provision of consumer and corporate foreign currency payments. The Company is now dormant and is likely to remain so.

Review of business

The Global Business Payments operation saw a decline during 2009 as a direct result of the challenging economic environment. The decline was driven by reduced transaction volumes as customers became more cautious during the uncertain times and attrition levels within the existing client base increased as businesses reverted back to their lending banks for payment services.

Direct Foreign Exchange has continued to trade satisfactorily considering the impact of competitor activity leading to margin pressure in this non repeat business, whilst the general economic environment has put pressure on customer activity.

Sale of business

As part of a programme to improve the efficiency of the payments division a decision was taken to consolidate the UK payments businesses into one legal entity. As a result, on the 31 December 2009 the operational assets and liabilities, were sold to Travelex Global Business Payments Limited, a parent company for consideration of £108m.

Results and dividends

The Company's profit for the year is £102.2m (2008: £13.2m). The profit and loss account is set out on page 7 and shows the result for the year. Interim dividends of £116.2m were paid in the year (2008: £nil).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. During the year the key business risks and uncertainties affecting the Company were considered to relate to competition from banks and other FX providers and employee retention. However, with the sale of the business to Travelex Global Business Payments Limited the company is no longer subject to these risks. Financial risk and their management are disclosed within the financial statements of Travelex Holdings Limited.

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 is committed to employee involvement as it believes its business objectives are best achieved if the Company's staff understand and support the Company's strategy. Staff members are kept informed of performance through briefing meetings, supplemented by a range of internal communications. Executives regularly visit business locations to discuss matters of current interest with staff and the Company's financial performance is presented and explained to staff during the year.

Travelex Payments Limited

Directors' report

for the year ended 31 December 2009

Equal opportunities

The Company's policy is not to discriminate against anyone, on any grounds. Training is available and provided to all levels of staff, and investment in employee development is a priority. Within this policy, the Company gives full consideration to applications for employment from disabled persons where a disabled person can adequately fulfil the requirements of the job. Where existing employees become disabled it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions.

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.

Accounting policies

The Company has adopted the revision to FRS 8 'Related Parties'. The revision requires that related party disclosures are made in respect of all non wholly owned subsidiaries and removes the prior exemption for 90% subsidiaries.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 elected to prepare 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 and loss account of the Company for that period.

In preparing those financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in business.

The Directors are responsible for keeping proper 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 applicable to all Companies reporting under UK GAAP. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware. In addition, the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

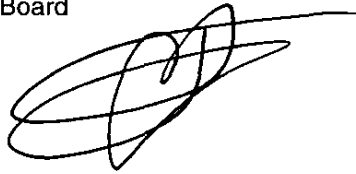
Travelex Payments Limited
Directors' report
for the year ended 31 December 2009

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting

By order of the Board

S M Pignet
Secretary
29 April 2010



Registered office
65 Kingsway
London
WC2B 6TD

Registered number
5393810

Travelex Payments Limited
Independent auditor's report
for the year ended 31 December 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAVELEX PAYMENTS LIMITED

We have audited the Company financial statements (the financial statements) of Travelex Payments Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement [set out on page 3] the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of the Company's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Travelex Payments Limited
Independent auditor's report
for the year ended 31 December 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Philip Tew
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 April 2010

Travelex Payments Limited
Profit and loss account
for the year ended 31 December 2009

£'000	Note	2009	2008
Revenue		26,736	41,805
Cost of sales		(5,386)	(5,326)
Gross profit		21,350	36,479
Administrative expenses		(13,297)	(16,512)
Operating profit		8,053	19,967
Profit on sale of business	2	96,411	--
Interest receivable and similar income	3	79	1,832
Interest payable and similar charges	4	(62)	(3,335)
Profit before tax	5	104,481	18,464
Tax	7	(2,325)	(5,293)
Profit for the financial year	16	102,156	13,171

The notes form an integral part of these financial statements

All of the above results of the Company arose from discontinuing operations

Travelex Payments Limited

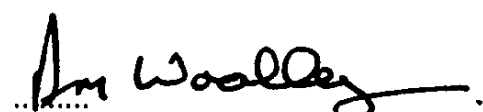
Balance sheet

for the year ended 31 December 2009

£'000	Note	2009	2008
Fixed assets			
Intangible assets	9	-	377
Tangible assets	10	-	308
			685
Current assets			
Debtors	12	10,000	38,160
Derivative financial instruments	13	-	54,415
Cash at bank and in hand		-	21,020
Deferred tax asset	11	-	418
		10,000	114,013
Current liabilities			
Creditors – amounts falling due within one year	14	-	41,646
Derivative financial instruments	13	-	49,037
Net current assets		10,000	23,330
Net assets		10,000	24,015
Capital and reserves			
Called up share capital	15	10,000	10,000
Retained earnings	16	-	14,015
Total shareholders' funds		10,000	24,015

The notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 29 April 2010 and were signed on its behalf by



A Woolley Director

Travelex Payments Limited

Notes to the financial statements

for the year ended 31 December 2009

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 currency stock, 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.

Changes in accounting standards

The Company has adopted the revision to FRS 8 'Related Parties'. The revision requires that related party disclosures are made in respect of non wholly owned subsidiaries and removes the exemption for 90% owned subsidiaries.

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.

Intangible assets

Goodwill

The excess of the fair value at the date of acquisition over the cost of investments in subsidiaries over the fair value of net assets acquired which is not otherwise allocated to individual assets and liabilities is determined to be goodwill.

An impairment review of goodwill balances is performed in the first financial year in which there is an indication of impairment. The carrying amount of goodwill is reviewed by analysing the expected financial performance of the business acquired compared to the forecasts on which the acquisition was based. When any such impairment arises, the goodwill is written down accordingly.

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

1. Accounting policies (continued)

Tangible assets

Tangible assets are initially recorded at cost and depreciated so as to write off the cost of the asset over its estimated useful life. Cost includes expenditure which is directly attributable to bringing the asset into working condition for its intended use.

Depreciation is calculated on a straight line basis using the following rates:

Fixtures and fittings	10-50% per annum
Computer hardware	33.3% per annum
Computer software	10% - 33% per annum
Motor vehicles	25% per annum

Income taxes

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

Deferred taxation

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

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. 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.

Cash at bank and in hand

Cash at bank and overdrafts in the balance sheet represent the cash book balance. This differs from the bank statement balance due to reconciling timing differences, i.e. unpresented cheques, wires and deposits in transit. Cash at bank also includes those short-term deposits, of a maturity of typically less than five days, held with banks and other financial institutions.

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.

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

1 Accounting policies (continued)

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

Derivative financial instruments

The Company utilises financial instruments for trading purposes. The financial instruments used are foreign currency swaps in the foreign exchange rate markets. Gains and losses on these instruments are included in income. The gross asset and liability relating to foreign currency swaps are reported separately in the balance sheet, with the exception of those with other group undertakings which are included in amounts due to or from Group undertakings.

Derivative financial instruments are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The instrument is derecognised from the balance sheet when the contractual rights or obligations arising from that instrument expire or are extinguished.

Derivative financial instruments are recognised at fair value. The gains and losses on remeasurement to fair value are recognised immediately in the profit and loss account. Derivative financial instruments are recognised on a trade date basis.

The Company has taken advantage of the exemption available under FRS 29 paragraph 2d from the disclosure requirements of FRS 29.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Segmental Reporting

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

Travelex Payments Limited
Notes to the financial statements

for the year ended 31 December 2009

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 £108 million resulted in a profit on sale of £96.4million. The profit on sale is laid out as follows:

£'000	
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

3. Interest receivable and similar income

£'000	2009	2008
Bank interest	22	114
Interest receivable from group undertakings	57	1,718
Total interest receivable and other items	79	1,832

4 Interest payable and similar charges

£'000	2009	2008
Bank loans and overdrafts	(62)	(80)
Interest payable to group undertakings	-	(3,255)
Total interest payable and other charges	(62)	(3,335)

5. Profit before tax

Profit before tax is stated after charging (crediting)

£'000	2009	2008
Profit on disposal of business	96,411	-
Depreciation of owned tangible assets	234	724
Profit on disposal of tangible assets	(42)	(103)
Amortisation of intangible assets	377	200
Operating lease payments	334	384

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 £75,000 (2008 £75,000)

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

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	2009	2008
United Kingdom	229	247

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	2009	2008
Wages and salaries	8,117	8,106
Social security costs	911	920
Other pension costs	193	200
	9,221	9,226

Directors' emoluments

£'000	2009	2008
Aggregate emoluments	168	19
Pension contributions	11	1
	179	20

The amounts above relate to emoluments in respect of three Directors (2008 three) of the Company, and represent an apportionment of the total emoluments paid to them to reflect their qualifying services as Directors of the Company

Three Directors have benefits accruing under defined contribution pension arrangements (2008 three)

7. Tax

£'000	2009	2008
Current tax		
Current tax charge on current year profit	2,283	5,332
Adjustments to current tax in respect of prior periods	16	(68)
Total current tax charge	2,299	5,264
Deferred tax		
Deferred tax charge on current year profit	42	-
Origination and reversal of timing differences	-	(33)
Adjustments to deferred tax in respect of prior period	(16)	62
Total deferred tax [charge/ credit] (note 10)	26	29
Tax charge for the year	2,325	5,293

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

7. Tax (continued)

The current tax for the year is lower (2008 higher)) than the standard rate of corporation tax in the UK (2009 28%, 2008 28.5%) The differences are explained below

£'000	2009	2008
Profit on ordinary activities before tax	104,481	18,464
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 28% (2008 28.5%)	29,255	5,262
Effects of		
Profit on sale of discontinuing operations not taxable	(26,996)	-
Expenses not deductible for tax purposes	67	36
Accelerated capital allowances	(42)	34
Adjustments in respect of prior period	15	(68)
Current tax charge	2,299	5,264

8 Distributions to equity holdings in the year:

£'000	2009	2008
2009 interim dividend paid of £11.617 per Ordinary share	116,171	-

A dividend of £98m was paid 'in specie' in the form of an intercompany balance as a result of the sale of the business to Travelex Global Business Payments Limited

9. Intangible Assets

£'000	Goodwill
Cost	
At 1 January 2009	1,191
Disposals	(1,191)
At 31 December 2009	-
Amortisation	
At 1 January 2009	814
Charge for the year	377
Disposals	(1,191)
At 31 December 2009	-
Net book value	
At 31 December 2009	-
At 1 January 2009	377

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

10 Tangible Assets

£'000	Fixtures and fittings	Computer hardware	Computer software	Total
Cost				
At 1 January 2009	480	517	6,212	7,209
Additions	19	50	6	75
Disposals	(499)	(567)	(6,218)	(7,284)
At 31 December 2009	-	-	-	-
Depreciation				
At 1 January 2009	394	499	6,008	6,901
Charge for the year	62	26	146	234
Disposals	(456)	(525)	(6,154)	(7,135)
At 31 December 2009	-	-	-	-
Net book value				
At 31 December 2009	-	-	-	-
At 31 December 2008	86	18	204	308

Motor vehicles are included within fixtures and fittings

11. Deferred taxation

£'000	2009	2008
At 1 January	418	447
Credit/(Debit) to the profit and loss account	(26)	(29)
At 31 December	392	418
Analysis of deferred tax balances		
Accelerated capital allowances	392	418
Total deferred tax asset	392	418

The rate used to calculate deferred taxation is 28%

12 Debtors

£'000	2009	2008
Other debtors	-	129
Amounts owed by group undertakings	10,000	37,113
Prepayments and accrued income	-	918
	10,000	38,160

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

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

13. Financial instruments

£'000	Forward foreign currency contracts 2009	Forward foreign currency contracts 2008
Notional value	-	286,646
Amounts due from group undertakings	-	38,860
Amounts due from external counterparties	-	15,555
Derivative financial assets	-	54,415
Amounts due to group undertakings	-	25,627
Amounts due to external counterparties	-	23,410
Derivative financial liabilities	-	49,037
Net assets	-	5,378

Fair value estimation

The fair value of the forward foreign currency contracts has been determined based on market forward exchange rates at the balance sheet date. There is no material difference between the carrying value and fair value of the financial assets and liabilities at the balance sheet date.

Maturity of financial liabilities

All of the Company's financial liabilities are on demand or due within one year.

14 Creditors – amounts falling due within one year

£'000	2009	2008
Trade creditors	-	15,402
Amounts owed to group undertakings	-	1,183
Taxation and social security	-	5,265
Accruals and deferred income	-	2,051
Bank loans and overdrafts	-	17,745
	-	41,646

15. Called up share capital

The authorised, allotted and issued share capital of the Company is as follows:

	2009	2008
	Number	Number
Authorised, allotted, issued and fully paid	£'000	£'000
Ordinary shares of £1 each	10,000,000	10,000,000

Travelex Payments Limited
Notes to the financial statements
for the year ended 31 December 2009

16 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	10,000	-	10,000

17. Operating leases

The leases entered into by the Company are operating leases for the provision of motor vehicles. Operating lease rentals payable are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

The Company's future minimum operating lease payments under non-cancellable operating leases are as follows

£'000	2009 Other	2008 Other
Due within one year	-	168
Due between one and five years	-	300
	-	468

18. 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.

19. 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 Global Business 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 Global Business 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 2009 was £648.6m.

20. 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.