

Company Registration No 7650665

Travelex Consumer Payments Limited
(Incorporated in the United Kingdom with limited liability)

Report and financial statements
for the seven months period ended 31 December 2011



Travelex Consumer Payments Limited

Directors' report

for the period from incorporation on 27 May 2011 to 31 December 2011

The Directors present their annual report and the audited financial statements of Travelex Consumer Payments Limited (the Company) for the seven month period ended 31 December 2011

Principal activities

The Company's principal activity is to provide an internet based money remittance service for individual customers in the UK wishing to send money to bank accounts abroad

The Company is regulated as a Small Payment Institution (SPI) by the Financial Services Authority (FSA)

Review of Business

The Company purchased the Send Money Now (SMN) asset from Travelex Limited on 31 October 2011. Trading commenced on 8 November 2011 with a low level of transactions since then.

Results and dividends

The Company made a loss for the period of £93,098. The profit and loss account is set out on page 6 and shows the results for the period. The Company reported a net liability position as at 31 December 2011 of £93,098. No dividends were paid during the period.

Outlook

It was decided to temporarily withdraw the Send Money Now website from 29 December 2011 pending a broader re-platforming exercise being undertaken in Travelex. A number of alternative options are being considered and it is currently envisaged that an online payments service will be resumed before the end of 2012.

Going Concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Travelex Holding Limited. The directors have received confirmation that Travelex Holding Limited intend to support the Company for at least one year after these financial statements are signed.

Financial Risk Management

The operational risk relates to the following:

The nature of TCPL's business activity potentially exposes it to varying levels of money laundering risk. TCPL has a Risk Based Approach to Anti-Money Laundering and Combating Terrorist Financing Policy which clearly describes and assesses the risks, and describes the controls, training and governance in place to mitigate the risks.

The business is also potentially exposed to customer fraud. The Travelex Fraud team use a number of industry leading third party fraud tool suppliers to carry out both electronic and manual fraud checks to mitigate the risk.

Key performance indicators

The Company monitors customer trading patterns on a daily, weekly and monthly basis using a variety of Management Information sources in order to understand customer behaviour, revenue and profit performance and assess the performance of the risk controls in place.

Financial instruments

The Company did not hold any financial instruments for the financial period ending 31 December 2011.

Travelex Consumer Payments Limited

Directors' report

for the period from incorporation on 27 May 2011 to 31 December 2011

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 period.

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

As the SMN website has been temporarily withdrawn to integrate it more seamlessly in to Travelex's overall online offering, there will be no trading revenue or associated costs incurred during, a yet undetermined, period of 2012.

Charitable donations

The Company made a charitable donation to Great Ormond Street Hospital (GOSH) of £3,524.59 under an arrangement linked to transaction throughput.

Directors

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

T Jordan	appointed 27 May 2011
P Hanson	appointed 27 May 2011
A Scott	appointed 27 May 2011

Travelex Consumer Payments Limited

Directors' report

for the period from incorporation on 27 May 2011 to 31 December 2011

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 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. 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.

Auditors

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The financial statements on pages 8 to 12 were approved by the Board of Directors on 25 May 2012 and signed on its behalf by



S M Pignet
Secretary
25 May 2012

Registered office
65 Kingsway
London
United Kingdom
WC2B 6TD

Registered number
7650665

Travelex Consumer Payments Limited

Independent auditor's report

To the members of Travelex Consumer Payments Limited
for the period from incorporation on 27 May 2011 to 31 December 2011

We have audited the financial statements of Travelex Consumer Payments Limited for the period ended 31 December 2011 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 and express an opinion on 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 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.

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. In addition, we read all the financial and non-financial information in the Directors' reports to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its loss for the period from incorporation on 27 May 2011 to 31 December 2011 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 period for which the financial statements are prepared is consistent with the financial statements.

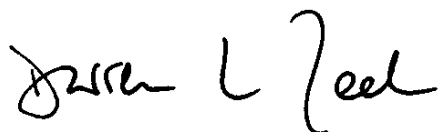
Travelex Consumer Payments Limited
Independent auditor's report

To the members of Travelex Consumer Payments Limited
for the period from incorporation on 27 May 2011 to 31 December 2011

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



Darren Meek (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 May 2012

Travelex Consumer Payments Limited

Profit and loss account

for the period from incorporation on 27 May 2011 to 31 December 2011

£'000	Note	2011
Revenue		19
Cost of sales		(6)
Gross profit		13
Administrative expenses		(138)
Operating loss		(125)
Interest payable and similar charges	3	(1)
Loss before taxation on ordinary activities	2	(126)
Tax on loss on ordinary activities	5	33
Loss for the financial period		(93)

The notes form an integral part of these financial statements

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

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

Travelex Consumer Payments Limited

Balance sheet

for the period from incorporation on 27 May 2011 to 31 December 2011

£'000	Note	2011
Current assets		
Debtors	6	36
Cash at bank and in hand		200
		236
Current liabilities		
Creditors – amounts falling due within one year	7	(329)
Net current liabilities		(93)
Net liabilities		(93)
Capital and Reserves		
Retained earnings		(93)
Total shareholders deficit		(93)

The notes on pages 8 to 12 form part of the financial statements

The financial statements were approved by the Board of Directors on 25 May 2012 and were signed on its behalf by


P. HANSON
Director

Travelex Consumer Payments Limited

Notes to the financial statements

for the period from incorporation on 27 May 2011 to 31 December 2011

1 Accounting policies

General information

The Company was incorporated on 27 May 2011 and is a private limited company incorporated in the United Kingdom. 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, United Kingdom WC2B 6TD.

Basis of preparation

The financial statements of the Company have been prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

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

Going Concern

Due to the SMN website being temporarily withdrawn, revenue is anticipated to be nil for an, as yet undetermined period of time. However, costs have been reduced significantly and will be tightly managed. The Company does not hold any external bank loans or overdrafts. Travelex Holdings Limited has committed to providing financial and operational support for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting for the preparation of these Financial Statements.

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

The Company recognises revenue when the order is successfully placed by the customer.

The key components of revenue are described below:

1. The customer is charged a fee for each order placed.
2. Revenue from currency exchange transactions is recognised as the difference between the cost and the selling price of currency.

Cost of sales

Cost of sales comprises direct selling costs payable to a third party provider. There is a transaction fulfilment fee payable to the third party provider for each successful order placed, in addition they receive a share of the foreign exchange mark up earned. Cost of sales are recognised once the order has been executed.

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

Travelex Consumer Payments Limited

Notes to the financial statements

for the period from incorporation on 27 May 2011 to 31 December 2011

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. Differences arising on translation are included in the profit and loss account.

Cash at bank and in hand

Cash at the bank in the balance sheet represents the cash book balance. This differs from the bank statement balance due to reconciling timing differences, i.e. un-presented 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.

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

The Company's contributions to the group's defined contribution pension scheme are charged to the profit and loss account as incurred.

Derivative financial instruments

The Company held no derivative financial instruments during the financial period from incorporation on 27 May 2011 to 31 December 2011.

Offsetting financial assets and liabilities

Financial assets and financial 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.

Dividends

No dividends were paid by the Company during the period ended 31 December 2011.

2. Loss before tax

Loss before tax is stated after charging

£'000	2011
Staff Cost	9

Travelex Consumer Payments Limited

Notes to the financial statements

for the period from incorporation on 27 May 2011 to 31 December 2011

Auditor's 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 £25,000

3. Interest payable and similar charges

£'000	2011
Interest payable to group undertakings	1
Total interest payable and other charges	1

4. Employees

The average number of persons utilised by the Company, calculated on a full time equivalent basis, was as follows

Employees

Number	2011
Operations	1
Average number of employees	1

The service contracts of the above employees are with, and the employees paid by, a fellow subsidiary company. These costs are disclosed as they are recharged to the Company for the services that these employees provide to the Company.

Staff costs for the period

£'000	Note	2011
Wages and salaries		7
Social security costs		1
Other pension costs	8	1
		9

The service contracts of the above employees are with, and the employees paid by, a fellow subsidiary company. These costs are disclosed as they are recharged to the Company for the services that these employees provide to the Company.

The directors did not earn any emoluments in respect of their qualifying services to the Company

5. Tax

£'000	Note	2011
Current tax		
Current tax credit on current period loss		(33)
Total current tax credit		(33)
Tax credit for the period		(33)

Travelex Consumer Payments Limited

Notes to the financial statements

for the period from incorporation on 27 May 2011 to 31 December 2011

5. Tax (continued)

The current tax for the period is in line with the standard rate of corporation tax in the UK

£'000	2011
Loss on ordinary activities before tax	(126)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax of 26.5%	(33)
Current tax credit	(33)

The standard rate of Corporation Tax in the UK changed from 28% to 26% with effect from 1 April 2011. Accordingly, the company's losses for this financial period are taxed at an effective rate of 26%.

6. Debtors – amounts falling due within one year

£'000	Note	2011
Trade debtors		3
Group relief receivable		33
		36

7. Creditors – amounts falling due within one year

£'000	2011
Trade Creditors	61
Amounts owed to group undertakings	168
Accruals and deferred income	100
	329

8. Pensions

The Company is a member of the Group's defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Company to the fund. Contributions paid and payable by the Company for the period were £539.95.

9. Share capital

The share capital of the Company is as follows

	2011	
	Number	£
Ordinary shares of £1 each	100	100

10. Retained Earnings

£'000	
As at 1 January 2011	-
Loss for the period	(93)
At 31 December 2011	(93)

Travelex Consumer Payments Limited

Notes to the financial statements

for the period from incorporation on 27 May 2011 to 31 December 2011

11 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 wholly owned group companies. The Company receives administrative and operational support from the Group, without recharge.

12. Ultimate and intermediate parent undertakings

The immediate parent undertaking is Travelex 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, United Kingdom 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, United Kingdom WC2B 6TD.

Travelex Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2011. The consolidated financial statements of Travelex Holdings Limited is available from 65 Kingsway, London, United Kingdom WC2B 6TD.