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Company registration number FC 028624

## US Deposits LLC

Financial statements  
for the year ended 31 December 2011



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COMPANIES HOUSE

**US Deposits LLC**  
**Directors' report (continued)**  
for the year ended 31 December 2011

The directors present the unaudited report and financial statements for US Deposits LLC ("the Company") for the year ended 31st December 2011. These accounts are prepared to fulfil the filing obligation of an overseas company with a registered branch in the UK.

**Directors**

The directors of the Company during the financial year and up to the date of this report were

Sylvain Pignet  
Martyn Emmerson

**Principal activities**

The principal activity of the Company is to invest money on behalf of the Travelex travellers' cheque group ('the Group'), received from travellers' cheques issued in previous years but not yet redeemed, by way of a structured deposit investment.

**Results**

The net profit for the year ended 31st December 2011 after providing for income tax was US\$1,564,000 (2010 US\$7,307,000).

**Dividends**

No dividends were paid or declared during the current or prior financial year.

**Review of operations**

The Company continues to trade satisfactorily. The profit for the year is mainly due to the interest received on the structured deposit.

**Financial risk management**

The management of the business and the execution of the Company strategy is subject to a number of risks.

On behalf of the Company, the Group manages risk and utilises financial instruments in the following ways:

- to mitigate the liquidity risk of the outstanding travellers' cheques encashment profile not matching the term of the investment of the travellers' cheques float, the group uses external actuarial valuations of the encashment profile to determine the profile of the float deposits
- to mitigate the foreign exchange risk, the currency exposure is managed by matching currency assets with currency borrowings
- to mitigate the interest rate risk, the volatility has been economically hedged with a fixed interest structure

Interest rate risk, foreign currency exposures and encashment profiles will continue to be reviewed by the Directors on a regular basis.

**Employees**

All operations are carried out by employees of other group companies.

**US Deposits LLC**  
**Directors' report (continued)**  
for the year ended 31 December 2011

**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 is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment for 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 group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

**Charitable donations**

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

**Outlook**

The Company will continue to earn interest on the structured deposit investment.

**Events after the balance sheet date**

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

**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). The financial statements are required by law to 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

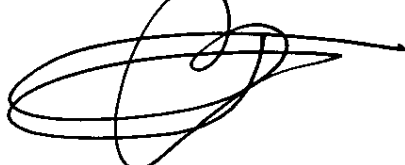
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**US Deposits LLC**  
**Directors' report (continued)**  
for the year ended 31 December 2011

**Auditors**

Being an overseas company these accounts, although based on UKGAAP formats, do not require to be audited

By order of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**S M Pignet**  
Director

12 November 2012

**Registered office**  
65 Kingsway  
London  
WC2B 6TD

Company No  
FC028624  
Branch No  
BR010207

**US Deposits LLC**  
**Profit and loss account**  
for the year ended 31 December 2011

<b>\$'000</b>	<b>Notes</b>	<b>2011</b>	<b>2010</b>
Revenue		<b>6,176</b>	6,677
Interest paid to group undertaking		<b>(186)</b>	(186)
<b>Profit on ordinary activities before taxation</b>		<b>5,990</b>	6,491
Tax on profit on ordinary activities	3	<b>(4,426)</b>	816
<b>Profit for the financial year</b>	8	<b>1,564</b>	7,307

The notes on pages 5 to 8 form part of these financial statements

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

All recognised gains and losses are included in the profit and loss account above

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

**US Deposits LLC**  
**Balance sheet**  
as at 31 December 2011

<b>\$'000</b>	<b>Notes</b>	<b>2011</b>	<b>2010</b>
<b>Fixed assets</b>			
Investment in subsidiary undertaking	4	<b>134,665</b>	134,665
<b>Non current assets</b>			
Deferred tax asset	5	-	214
Investments	6	<b>155,884</b>	171,568
		<b>155,884</b>	171,782
<b>Current assets</b>			
Investments	6	<b>15,684</b>	20,512
Group relief recoverable		-	2,835
Amounts owed by group undertakings		<b>16,683</b>	8,246
		<b>32,367</b>	31,593
<b>Current liabilities</b>			
Amounts owed to group undertaking		<b>(130,485)</b>	(142,377)
Interest received in advance		<b>(5,698)</b>	(6,173)
Group relief payable		<b>(1,377)</b>	
		<b>(137,560)</b>	(148,550)
<b>Net current liabilities</b>		<b>(105,193)</b>	(116,957)
<b>Total assets less current liabilities</b>		<b>185,356</b>	189,490
<b>Non current liabilities</b>			
Interest received in advance		<b>(46,447)</b>	(52,145)
<b>Net assets</b>		<b>138,909</b>	137,345
<b>Capital and reserves</b>			
Called-up share capital	7	<b>1</b>	1
Profit and loss account	8	<b>138,908</b>	137,344
<b>Equity shareholders' funds</b>	8	<b>138,909</b>	137,345

The notes on pages 5 to 8 form part of these financial statements

The financial statements on pages 3 to 8 were approved by the Board of Directors and signed on its behalf by

*M. L. Emmerson*

Martyn Emmerson  
Director  
12 November 2012

**US Deposits LLC**  
**Notes to the financial statements**  
for the year ended 31 December 2011

**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, England.

**Basis of accounting**

The financial statements have been prepared in accordance with Section 396 of the Companies Act 2006 and Schedule 4 of the Overseas Companies Regulations 2009 applicable to overseas companies.

**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 to all periods presented in these financial statements. The Company accounting policies dealing with material items are set out below.

**Going concern**

These financial statements have been prepared on a going concern basis.

**Revenue recognition**

Income from investment activities is derived principally from the interest earned on the investment of funds generated from travellers' cheques sales of a fellow group entity, for the period from their original issue to their encashment, on deposit with external financial institutions. Interest income is recognised in the profit and loss account on an accruals basis.

**Fixed asset investments**

Fixed asset investments comprise an investment in a subsidiary undertaking which is stated at cost less any permanent diminution in value.

**Current asset investments**

This comprises a structured deposit held to maturity and is stated at face value. Interest received in advance on the structured deposits is carried in creditors and released to the profit and loss account on an accruals basis.

**Interest received in advance**

Interest received in advance relates to funds placed on structured deposits with a remaining term of 23 years (2010: 24 years) for which the net present value of interest has been paid in advance. The interest is amortised to the profit and loss account over the term of the deposits in proportion to the reducing principal amount of the structured deposits outstanding.

**Deferred taxation**

Full provision is made for deferred tax arising from timing differences due to the differing treatment of certain items for taxation and accounting purposes. 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. Deferred tax assets are recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**US Deposits LLC**  
**Notes to the financial statements (continued)**  
for the year ended 31 December 2011

**1. Accounting policies (continued)**

**Exemption from group accounts and 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

**2 Employees and directors**

The Company has no employees. All operations are carried out by employees of Travelex Global and Financial Services Limited

The Directors are also directors of a number of fellow subsidiary undertakings and their emoluments are paid by those undertakings. It is the belief of the Directors that they have no qualifying services specifically in relation to this Company and accordingly there are no specific recharges made to the company for the services of the Directors

**3. Tax**

<b>\$'000</b>	<b>2011</b>	<b>2010</b>
<b>Current tax:</b>		
Current tax charge on current year profit	<b>1,377</b>	-
Adjustments to current tax in respect of prior periods	<b>2,835</b>	(602)
Tax current charge / (credit) on profit on ordinary activities	<b>4,212</b>	(602)
<b>Deferred tax:</b>		
Deferred tax charge on current year profit	<b>214</b>	1,818
Adjustments to deferred tax in respect of prior period	-	(2,032)
Deferred tax charge / (credit) to profit on ordinary activities	<b>214</b>	(214)
<b>Tax charge / (credit) for the year</b>	<b>4,426</b>	(816)

The current tax for the year is the same as (2010 the same as) the 2011 standard rate of corporation tax in the UK of 26.5% (2010 28.0%). The standard rate of corporation tax in the UK changed from 28% to 26% with effect from 1 April 2011. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 26.5% (2010 28%). The differences are explained below

<b>\$'000</b>	<b>2011</b>	<b>2010</b>
<b>Profit on ordinary activities before taxation</b>	<b>5,990</b>	6,491
Profit on ordinary activities at the UK tax rate		
2011 26.5% (2010 28.0%)	<b>1,587</b>	1,818
Effects of		
Loss utilisation	<b>(210)</b>	(1,818)
Adjustments in respect of a prior year	<b>2,835</b>	(602)
<b>Tax current charge / (credit) on profit on ordinary activities</b>	<b>4,212</b>	(602)



## US Deposits LLC

### Notes to the financial statements (continued)

for the year ended 31 December 2011

#### 4. Investment in subsidiary undertaking

The Company owns 61.3% of US Deposits (Holdings) LLC, a company incorporated in Delaware of the United States of America. The entity is inactive. The investment has a cost and net book value of US\$134,665,000 (2010: US\$134,665,000).

#### 5. Deferred taxation

\$'000	2011	2010
At 1 January 2011	214	-
Deferred tax credit to profit on ordinary activities	(214)	214
<b>At 31 December 2011</b>	<b>-</b>	<b>214</b>
Analysis of deferred tax asset		
Losses	-	214
<b>At 31 December 2011</b>	<b>-</b>	<b>214</b>

Deferred tax in the closing balance sheet has been provided at 25% reflecting legislation to reduce the main rate of corporation tax from 26% to 25% that was substantively enacted on 5 July 2011. Legislation has been introduced in the Finance Act 2012 to reduce the main rate of corporation tax to 24% from April 2011 and to 23% from April 2013. Legislation in Finance Bill 2013 will reduce the main rate by 1% to 22% in April 2014.

#### 6. Investments

£'000	2011	2010
Current	-	-
Money market deposits	-	4,830
Money placed on structured deposits	15,684	15,682
	<b>15,684</b>	<b>20,512</b>
Non Current		
Money placed on structured deposits	155,884	171,568
	<b>171,568</b>	<b>192,080</b>

To cover the encashment of travellers' cheques, funds have been deposited on the money market and with banks. The repayment profile of deposits has been structured to match the likely profile of the expected encashment of the outstanding travellers' cheques of the Group. Whilst it is anticipated that these assets will be held to maturity, the Group is, subject to certain charges and restrictions as to their timing, able to make early draw downs against the funds to satisfy in full any and all related redemptions of travellers' cheques.

All company deposits are denominated in US dollars.

#### 7. Called up share capital

\$'000	2011	2010
<b>Authorised, allotted and fully paid</b>		
1,000 Ordinary shares US\$1	1	1

**US Deposits LLC**  
**Notes to the financial statements (continued)**  
for the year ended 31 December 2011

**8. Reconciliation of movements in shareholders' funds**

<b>\$'000</b>	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
<b>At 1 January 2011</b>	<b>1</b>	<b>137,344</b>	<b>137,345</b>
Profit for the financial year	-	1,564	1,564
<b>At 31 December 2011</b>	<b>1</b>	<b>138,908</b>	<b>138,909</b>

**9. Contingent liabilities**

(i) Travelex Holdings Ltd, on behalf of the Group, has obtained and issued to Barclays Bank PLC an irrevocable standby letter of credit for £50 0m. The Company has given a guarantee on behalf of other Travelex travellers' cheques issuers to the bank for this amount.

(ii) The Company may, from time to time, be party to legal claims arising in the ordinary course of business. The Directors do not anticipate that the outcome of any of these proceedings and claims, either individually or in aggregate, will have a material adverse effect on the Company's financial position.

**10. Related party transactions**

In accordance with FRS 8, the company has taken advantage of the exemption from the requirements to disclose transactions with wholly owned subsidiaries within the group. The consolidated financial statements of the group are publicly available. All the transactions were entered into with wholly owned subsidiaries within the group.

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