

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

Registered number: 00738837

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TTT Moneycorp Limited

Company information

Independent auditors

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

Company Registration Number

00738837

Date of Incorporation

25 October 1962

Registered Office

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

Directors

S Green
N Haslehurst
M Horgan
R Moores

TTT Moneycorp Limited

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TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2017

The Directors present their strategic report for TTT Moneycorp Limited (the Company) for the year ended 31 December 2017. The Company is domiciled in the United Kingdom and incorporated in England.

Principal activities and overview

Moneycorp is one of the UK's leading independent international payment and foreign exchange business. Over the past 25 years, it has built a technology lead in Corporate and Private client International Payments and Foreign Exchange business, serving the needs of clients in a variety of channels ensuring they have access to foreign exchange and the ability to use this efficiently. The Company's mission is working together to become the favourite international payments and foreign exchange provider. The vision of the Company is to be first choice for international payments and foreign exchange.

The Company's business operates across the entire value chain of the international payments and foreign exchange industry, its offices and employees whilst centered in the UK now operate in Europe and South America and Australia.

The Company has built a payments platform that processes and delivers a range of foreign currency exchange solutions and international payments for a range of corporates from mid-caps to SME's, banks, central banks and private clients. The Company's technology which has been the centre of investment in recent years, operates in multiple countries, under the Moneycorp brand and white label/co- brands.

The Company's strategy is to grow its business primarily by capitalising on the strength of its technology, high quality service, transparent pricing and its cost efficient operating model. It aims to grow market share in existing markets by increasing its product awareness and developing further product enhancements, platform improvements and pricing leverage. In addition the business will continue to enter more countries, to extend its distribution network more widely, to launch more innovative products, and to improve the efficiency of its operating cost base. 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.

The Company has invested in a series of initiatives around expansion and product development. During 2017 the Company looked to acquire First Rate FX Limited, a UK based international payments business and this transaction was completed on 31 January 2018. The Company has been working on regulatory approval in Brazil for its acquisition of Novo Mundo Corretore de Cambio S/A, a 42.5% acquisition was completed on 5th January 2018, a further 47.5% acquisition is expected to complete later on in 2018.

The Company continued to invest in its technological platform, rolling out a multilingual platform for its private customers, adding further functionality including new payment channels, risk management solutions and enhanced control features.

On 1 January 2017, the Company sold the trade and assets relating to the cash services business with a book value of £34.3m Moneycorp CFX Limited (MCFX), a related company, for a consideration of £47.5m. The excess between the consideration and the net book value of the assets acquired of £13.2m resulted in a credit movement in the income statement. On 20 July 2017 the Company sold its interest in MCFX to Regent Acquisitions (Holdings) Limited (RAHL), the immediate parent for £47.5m. Prior to the sale to RAHL the consideration owed by MCFX was waived by the Company.

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 its 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.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2017

During the year the Company invested to ensure compliance with PSD II regulations, this included technology changes, operational process changes and the submission of a PSD II licence application in the UK.

Finally with the implementation of the new General Data Protection Regulations (GDPR), the business has made a number of investments in enhancing its use and control of data.

Technology focused, scalable offering

The Company has developed a leading payments platform that can serve the needs of both corporate and private customers in delivering fast and cost efficient international payments and foreign exchange solutions. This scalable technology has successfully been rolled out in other European jurisdictions and underpins the organic international expansion of the Company in the future.

Market opportunity

A continued growth in international travel, the globalisation of business and the increasing trend of migration have all driven an increased demand for both international payments and foreign exchange around the world. This coupled with poor service levels and high costs charged to the consumer primarily by banks in the developed world presents the Company with a huge opportunity globally to bring its low cost and high quality service model to the market to serve the growing needs of both corporate and private consumers.

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 3 main business units (see below) 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

Company Revenue and Company 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.

The management accounts that are used internally are based on UK GAAP whereas the statutory results are reported under IFRS which results in differences in the revenue recognised in respect of forward and option derivative contracts. All other measurement policies used in preparing the management results are consistent with those used in preparing the statutory financial statements.

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Strategic report
For the year ended 31 December 2017

Company Revenue and Company EBITDA within the three main business segments are summarised in the following table.

£m	2017	2016	Growth
Company revenue			
Corporate	23.4	22.1	6%
Private	23.9	27.8	(14%)
Payment Solutions	1.6	0.6	167%
Total Company revenue	48.9	50.5	(3%)
£m			
Company EBITDA			
Corporate	12.4	13.8	(10%)
Private	8.8	9.8	(10%)
Payment Solutions	0.8	(0.1)	900%
Total Company EBITDA	22.0	23.5	(6%)

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Strategic report

For the year ended 31 December 2017

Revenue

Company Revenue decreased by £1.6m (3%) (2016: 2.5m (5%)). The corporate business grew by £1.3m (2016: £2.5m) in the year with the private client division decreasing by £3.9m (2016: £0.2m).

EBITDA

Company EBITDA decreased by £1.5m (2016: £2.8m increase) to £22m (2016: £23.5m),

The results of the core operating businesses are detailed below:

Corporate

The corporate division grew revenue by 6% (2016: 12%) adding £1.3m (2016: £2.5m). This business is centered on SME importers and exporters in the UK and Ireland providing a range of products including payments, spot trades, hedging and derivative solutions for these customers.

The business unit is focused on retaining and winning customers through superior product offerings, technology, service and pricing solutions.

During the year the business unit reported new customer drop off of 6% (2016: 10% increase) and customer retention of 91% (2016: 93%), transactions grew by 17% (2016: 12%) and revenue per deal by 10% (2016: 22%).

Private

During the year the private client division revenue decreased by £3.9m (14%) (2016: £0.2m increase (1%)).

The business unit saw a fall in active customer growth of 25% (2016: 2%) and saw revenue per deal fall by 6% (2016: 5% increase) against the backdrop of Brexit uncertainty which has impacted appetite for international house purchases.

Investment in the year was focused on development of the private client platform into a multilingual site capable of being rolled out as the Company continues to expand internationally.

Payment Solutions

Payment solutions saw an increase in revenue of 167% (2016: 934%) due to the continued take up of the technology offering that allows bulk international payments to be processed at a fraction of the cost of banks.

During the year the division saw the revenue per deal increase by 51% (2016: 20%).

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Profit for the year

The Company reported a statutory profit for the year of £11.8m (2016: £17.3m).

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

Depreciation and amortisation

The Company charged £2.1m of amortisation of intangibles in the year (2016: £1.5m). The depreciation charge for the year was £2.2m (2016: £2.7m).

One off items

The Company has reported one off operating costs of £3.6m (2016: £1.7m operating costs). The key items making up these balances are as follows:

Acquisition costs – the Company incurred costs relating the US and UK acquisitions of £2.3m.

Staff costs – the Company incurred redundancy costs relating to support centre roles that were outsourced of £0.7m.

Restructuring – the restructuring of the Company to separate international payments and cash businesses incurred costs of £0.3m.

These costs are included in administrative expenses in the income statement.

Taxation

The tax for the continuing business was £0.9m (2016: £0.2m credit). This includes prior year tax adjustments of £(0.2m) (2016: £(0.1m)) principally from temporary differences reflecting the reduced likelihood of utilisation within an acceptable time period. Cash corporation tax paid was £1.3m (2016: £0.6m). For further details of the tax (credit)/ charge see Note 11.

Outlook

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

The Private business has been rolled out in Australia as the Company continue to expand internationally.

The focus to the Company in 2018 is on integration of First Rate FX Limited acquisition and continue work on international acquisition opportunities as it looks to accelerate its growth plan. The Company has a clear strategy to grow internationally through both organic growth and through acquisitions, developing primarily the international payments business and building on scale advantages that its technology platform provides.

Moneycorp is closely monitoring the implications of Brexit on its business and in particular the Company's ability to passport its licences across Europe. The Company is well progressed in contingency planning in the event that passporting rights are removed once the United Kingdom has left the European Union and is evaluating the possible countries where MIFID and Payment Services Licences can be obtained given its presence in a number of European countries.

TTT Moneycorp 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 organisation. 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.

The Company 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 organisation. Internal controls include the organisational 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 has overseas operations in the Ireland, France and Spain, Romania and Brazil. As a result it is subject to foreign exchange exposures arising from the translation of the results and underlying net assets of its overseas subsidiaries into sterling. The Company maintains bank balances and currency stocks in a number of currencies and invoices and receives payments in these currencies.

Liquidity risk

The settlement of spot and forward contracts and other short term working capital requirements requires adequate liquidity which is generated through intra-day settlement facilities. These facilities are provided by a range of financial institutions with which the Company has a long trading history. The Company manages this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

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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 Company 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.

The Company has £3m (2016: £8.0m) of receivables that has potential exposure as credit losses. However, in the year the loss was minimal £0.2m (2016: £0.3m) because the Company policies require new customers to be reviewed for creditworthiness before standard payment and delivery terms and conditions are entered into.

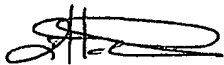
Regulation and compliance risk

Regulatory and compliance policy is led centrally by the Company 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 FCA 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
31 July 2018

TTT Moneycorp Limited

Directors' report

For the year ended 31 December 2017

The Directors present their report and the audited financial statements of TTT Moneycorp Limited (the Company) for the year ended 31 December 2017 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 controllers of Moneta Topco Limited are 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:

Representatives of Bridgepoint Europe IV (Nominees) Limited.	S Green	Chairman
Executive Director	N Haslehurst	Chief Financial and Operating Officer
Executive Director	M Horgan	Chief Executive
Non-Executive Director	P Lever	(resigned 25 June 2018)
Non-Executive Director	R Moores	

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.

TTT Moneycorp Limited

Directors' report

For the year ended 31 December 2017

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.

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.

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

TTT Moneycorp 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
31 July 2018

Moneycorp TTT Limited

Independent auditors' report to the members of Moneycorp TTT Limited

For the year ended 31 December 2017

Opinion

In our opinion, Moneycorp TTT 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 and financial statements, which comprise: the balance sheet as at 31 December 2017; the income statement, the statement of comprehensive income, the cash flow statement, 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 and financial statements 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.

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.

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.

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.

Moneycorp TTT Limited

Independent auditors' report to the members of Moneycorp TTT Limited

For the year ended 31 December 2017

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 pages 11 to 13, 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. 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.

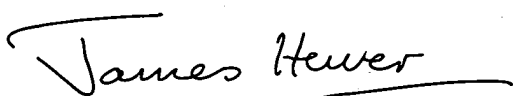
Other required reporting

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.



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

TTT Moneycorp Limited
Company income statement
For the year ended 31 December 2017

		Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Continuing operations:	Note		
Income	5	48,589	132,705
Administrative expenses	6	(48,908)	(115,513)
Operating (Loss)/profit	6	(319)	17,192
Gain on sale of operations		13,147	-
Finance income	9	260	155
Finance costs	10	(415)	(223)
Profit before tax		12,673	17,124
Tax	11	(851)	151
Profit for the year		<u>11,822</u>	<u>17,275</u>

TTT Moneycorp Limited
Company 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	11,822	17,275
Total Other Comprehensive Income for the year	-	-
Total Comprehensive income for the year	11,822	17,275

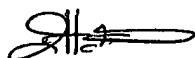
TTT Moneycorp Limited
Company balance sheet
As at 31 December 2017

		31 December 2017 £000	31 December 2016 £000
Non-current assets	Note		
Investment in subsidiaries		30	4,486
Other intangible assets	12	4,178	5,005
Property, plant and equipment	13	4,601	6,934
Deferred tax assets	17	534	602
		<u>9,343</u>	<u>17,027</u>
Current assets			
Inventories	14	-	330
Trade and other receivables	15	83,721	27,977
Cash and cash equivalents	23	281,368	275,378
Current tax assets		248	-
Derivative financial instruments	16	60,542	95,706
		<u>425,879</u>	<u>399,391</u>
Total assets		<u>435,222</u>	<u>416,418</u>
Current liabilities			
Trade and other payables	19	(307,826)	(262,211)
Current tax liabilities		-	(258)
Borrowings	25	-	(10,143)
Obligations under finance leases	18	-	(163)
Derivative financial instruments	16	(55,394)	(83,405)
		<u>(363,220)</u>	<u>(356,180)</u>
Net current assets		<u>62,659</u>	<u>43,211</u>
Non-current liabilities			
Borrowings	25	(1,087)	(1,055)
Obligations under finance leases	18	-	(90)
		<u>(1,087)</u>	<u>(1,145)</u>
Total liabilities		<u>(364,307)</u>	<u>(357,325)</u>
Net assets		<u>70,915</u>	<u>59,093</u>

TTT Moneycorp Limited
Company balance sheet (continued)
As at 31 December 2017

	Note	31 December 2017 £000	31 December 2016 £000
Equity			
Share capital	21	350	350
Unrealised profit reserve		301	301
Retained earnings	22	70,264	58,442
Total equity		<u>70,915</u>	<u>59,093</u>

The financial statements on pages 16 to 54 were approved by the Board of Directors on 31 July 2018 and signed on its behalf by:



N Haslehurst
Director

TTT Moneycorp Limited
Company statement of changes in equity
For the year ended 31 December 2017

	Share Capital £000	Unrealised profit reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2016	350	301	41,167	41,818
Profit for the year	-	-	17,275	17,275
Balance at 31 December 2016 and at 1 January 2017	350	301	58,442	59,093
Profit for the year	-	-	11,822	11,822
Balance at 31 December 2017	350	301	70,264	70,915

TTT Moneycorp Limited
Company cash flow statement
For the year ended 31 December 2017

		Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
	Note		
Net cash generated from operating activities	23	18,169	102,030
Investing activities			
Purchases of property, plant and equipment		(1,896)	(2,836)
Purchases of computer software		(2,361)	(2,294)
Disposals		2,221	-
Net cash used in investing activities		(2,036)	(5,130)
Financing activities			
Increase in borrowings		-	10,143
Repayments of borrowings		(10,143)	(4,984)
Repayments of obligations under finance leases		-	(234)
Net cash (used in)/generated from financing activities		(10,143)	4,925
Net increase in cash and cash equivalents		5,990	101,825
Cash and cash equivalents at beginning of year		275,378	173,553
Cash and cash equivalents at end of year		281,368	275,378

TTT Moneycorp Limited

Notes to the company financial statements

For the year ended 31 December 2017

1. General information

TTT Moneycorp 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 note 26 and in the strategic report on pages 4 to 11.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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>
IFRIC Interpretation 22	<i>Transfers of Investment Property (Amendments to IAS 40)</i>
IFRS 16	<i>Foreign Currency Transactions and Advance Consideration 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. They have concluded that initial and subsequent measurement of derivative assets and liabilities will remain the same as the treatment under IAS 39. The Company has also 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. The revenue from foreign exchange transactions carried out by the international payments business is outside the scope of IFRS 15.

TTT Moneycorp Limited

Notes to the company financial statements

For the year ended 31 December 2017

3. Significant accounting policies

Basis of accounting

During 2015, the Company converted its financial statements from UK GAAP to International Financial Reporting Standards (IFRSs) adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC).

The financial statements have been prepared on the historical cost basis, except for the revaluation of some financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, financial instruments are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-

TTT Moneycorp Limited

Notes to the company financial statements

For the year ended 31 December 2017

3. Significant accounting policies (continued)

controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units considered as International Payments and Retail (Note 12). Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other 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

Leasehold properties and improvements are stated at cost less accumulated depreciation and any recognised impairment loss. Other tangible fixed assets are carried at cost less accumulated depreciation and any recognised impairment loss.

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%

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

3. Significant accounting policies (continued)

Leasehold properties are depreciated over the period of the leases and improvements to leasehold properties over the expected life of those improvements, or period of leases, whichever is shorter.

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.

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.

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

3. Significant accounting policies (continued)

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.

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

Derivative financial instruments

~~The Company enters into a variety of derivative financial instruments for trading purposes acting as a broker in the provision of foreign exchange option, spot and forward contracts to businesses and individuals.~~

A smaller amount of derivative financial instruments are entered to manage exposure to foreign exchange rate risk namely foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 25.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss.

TTT Moneycorp Limited

Notes to the company financial statements

For the year ended 31 December 2017

3. Significant accounting policies (continued)

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Income recognition

Income is the net value of currencies bought and sold, net income from derivatives as well as other sales.

Income from the Commercial Foreign Exchange business consists of the value of currencies sold in spot and forward currency deals and options. Income is recognised at trade date.

For online trading, income comprises income earned on online trading services, which is recognised when the transaction is made. Agency commissions and fees received on other items are also recognised in the year when the transaction is made.

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.

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 21 includes contribution payable by the Company to the fund.

Taxation

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

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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only

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

3. Significant accounting policies (continued)

recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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 11 to 13.

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

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.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Taxation

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Company's latest budget forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit, and expectations regarding future financing costs. The tax rules in the numerous jurisdictions in which the Company operate are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. See note 11.

Deferred taxation

Deferred taxation assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

The Directors have made an assessment of how much is expected to be utilised against future taxable income based on future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

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.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use and the fair value less cost of the cash-generating units to which goodwill has been allocated. These calculations require the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

TTT Moneycorp 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)

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.

Fair value measurements and valuation processes

Derivative financial assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available (Level 1). Foreign currency forwards and options are considered to be Level 2 as the fair value measurements are derived from inputs other than quoted prices that are directly or indirectly observable.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 27.

The fair value of derivative financial assets and liabilities are stated after adjustments to reflect counterparty credit risk.

Derivative financial assets arise where client positions are out of the money. These receivable balances have a credit valuation adjustment (CVA) applied. This is calculated based on an internal assessment of the client credit risk, with the receivable amounts being discounted using a rate that reflects the risk of default.

Derivative financial liabilities arise where client positions are in the money. These payable balances have a debit valuation adjustment (DVA) applied. This adjustment reflects the risk of the Company defaulting on the balance payable to the client and is calculated using an estimate of the Company's borrowing costs.

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	26,850,013	27,006,504
Gross value of traded currencies and other purchases	(26,801,875)	(26,873,799)
	48,138	132,705
Other income	451	-
	48,589	132,705

Other income comprises of £0.5m of sublease income.

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

6. Operating profit

Operating profit for the year has been arrived at after charging/(crediting):

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Operating lease rentals	1,690	46,531
Amortisation of intangible assets	2,091	1,411
Depreciation of property, plant and equipment	2,183	2,737
Staff costs (see note 8)	18,201	31,387
Impairment loss recognised on trade receivables	158	349
	<u>18,201</u>	<u>31,387</u>

7. Auditors' remuneration

The analysis of the auditors' remuneration included within administrative expenses 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	89	218
Total audit fees	<u>89</u>	<u>218</u>

8. Staff costs

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

	2017 Number	2016 Number
Management and administration	107	143
Operations	182	645
	<u>289</u>	<u>788</u>

Their aggregate remuneration comprised:

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Wages and salaries	15,935	27,935
Social security costs	1,814	2,722
Other pension costs (see note 21)	452	730
	<u>18,201</u>	<u>31,387</u>

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

9. Finance income

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Bank interest	260	155
	<u>260</u>	<u>155</u>

10. Finance costs

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Bank interest	383	144
Loan from parent entity	32	79
	<u>415</u>	<u>223</u>

11. Tax

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Corporation tax:		
Current year	725	956
Adjustments in respect of prior years	104	(768)
	<u>829</u>	<u>(188)</u>
Deferred tax (see note 17):		
Current year	(89)	(107)
Adjustments in respect of prior years	128	(14)
Effect of change in tax rate	(17)	158
	<u>851</u>	<u>(151)</u>

Corporation tax is calculated at 19.25% (2016: 20%) of the estimated taxable loss for the year.
Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.
The total tax charge/(credit) for the year can be reconciled to the loss in the income statement as follows:

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Notes to the company financial statements
For the year ended 31 December 2017

11. Tax (continued)

	Year Ended 31 December 2017 £000	Year Ended 31 December 2016 £000
Profit before tax	12,673	17,124
Tax at the UK corporation tax rate of 19.25% (2016: 20%)	2,439	3,425
Tax effect of expenses that are not deductible	538	(224)
Non-taxable income	(1,655)	-
Prior year adjustments	233	(782)
Group relief received	(583)	(2,301)
Effect of change in corporation tax rate	(17)	158
Effect of different tax rates of subsidiaries operating in other jurisdictions	(104)	(125)
Total tax charge/(credit) for the year	851	(151)

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%. The proposed reductions in the rate of corporation tax have been enacted, and the impact has been accounted for, in 2016.

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

12. Goodwill and other intangible assets

Cost	Goodwill £000	Internally developed software £000	Total £000
At 1 January 2017	877	6,044	6,921
Additions	-	2,361	2,361
Disposal	-	(213)	(213)
At 31 December 2017	877	8,192	9,069
Accumulated amortisation and impairment			
At 1 January 2017	-	1,961	1,961
Charge for the year	-	2,091	2,091
Disposal	877	(38)	839
At 31 December 2017	877	4,014	4,891
Carrying amount			
At 31 December 2017	-	4,178	4,178
At 31 December 2016	877	4,128	5,005

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	31 December 2017 £000	31 December 2016 £000
International payments	-	877
	-	877

Following the transfer of assets to Moneycorp CFX Limited the goodwill was written off.

The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts for each cash generating unit (CGU) identified above were determined based on the higher of 'fair value less costs to sell' and 'value in use' estimations.

The value in use estimations cover a three year forecast period based on the Company's current long term financial projections approved by management for the next five years. The growth rates and discount rates applied reflect current market assessments of the time value of money and the risks specific to the CGUs.

Key assumptions are based on the EBITDA of each CGU which have been determined based on a combination of past experience of the markets in which the Company operates and the expected growth in the forecast period.

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Notes to the company financial statements
For the year ended 31 December 2017

12. Goodwill and other intangible assets (continued)

The fair value less cost to sell calculation has been based on the forecast EBITDA for 2018 with a multiple applied to each CGU which reflects the market in which the CGU operates and the product offerings. Costs to sell are calculated at 2% of the fair value of each CGU. A discount rate of 15% has been applied.

Other than the points referred to above there are no other key assumptions used in the calculation of goodwill impairment.

13. Property, plant and equipment

	Leasehold Properties £000	Fixtures and fittings £000	Computer equipment £000	Finance leases £000	Total £000
Cost					
At 1 January 2017	1,185	9,663	9,361	1,011	21,220
Additions	-	63	1,833	-	1,896
Disposals	-	(4,802)	(1,828)	(995)	(7,625)
At 31 December 2017	1,185	4,924	9,366	16	15,491
Accumulated depreciation and impairment					
At 1 January 2017	1,020	5,478	7,097	691	14,286
Charge for the year	5	737	1,304	137	2,183
Disposals	-	(3,042)	(1,725)	(812)	(5,579)
At 31 December 2017	1,025	3,173	6,676	16	10,890
Carrying amount					
At 31 December 2017	160	1,751	2,690	-	4,601
At 31 December 2016	165	4,185	2,264	320	6,934

The disposals were part of the sale of the trade and assets relating to the cash services business to Moneycorp CFX Limited.

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Notes to the company financial statements
For the year ended 31 December 2017

14. Inventories

	31 December 2017 £000	31 December 2016 £000
Maps, phone card and train tickets	-	330
	-	330

Nil (2016: £2.3 million) inventories were expensed during the year. These were included within the cost of sales in 2016.

15. Trade and other receivables

	31 December 2017 £000	31 December 2016 £000
Trade receivables	3,125	7,627
Allowance for doubtful debts	(653)	(558)
	2,472	7,069
Amounts owed by Parent undertakings	72,418	10,450
Amounts owed by Company undertakings	5,261	824
Other debtors	1,654	6,618
Corporation tax	-	-
Prepayments	1,916	3,016
	83,721	27,977

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

16. Derivative financial Instruments

Further details of derivative financial instruments are provided in note 26.

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

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17. Deferred tax (continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

	31 December 2017 £000	31 December 2016 £000
Deferred tax liabilities :		
Revaluation of financial assets	(218)	(198)
	<u>(218)</u>	<u>(198)</u>
Deferred tax assets:		
Accelerated tax depreciation	736	800
Revaluation of financial assets	16	-
	<u>752</u>	<u>800</u>
	<u>534</u>	<u>602</u>

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18. Obligations under finance leases

	Minimum lease payments	
	31 December 2017 £000	31 December 2016 £000
Amounts payable under finance leases:		
Within one year	-	163
In the second to fifth years inclusive	-	90
	<hr/>	<hr/>
Present value of lease obligations	-	253
	<hr/>	<hr/>
Analysed as:		
Amounts due for settlement within 12 months (shown under current liabilities)	-	163
Amounts due for settlement after 12 months	-	90
	<hr/>	<hr/>
	-	253
	<hr/>	<hr/>

	Present value of minimum lease payments	
	31 December 2017 £000	31 December 2016 £000
Amounts payable under finance leases:		
Within one year	-	161
In the second to fifth years inclusive	-	89
	<hr/>	<hr/>
	-	250
	<hr/>	<hr/>

Finance leases were transferred to Moneycorp CFX, a related company, as part of the trade and asset trade of the cash services business.

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19. Trade and other payables

	31 December 2017 £000	31 December 2016 £000
Trade payables and accruals	287,376	258,752
Amount owed to Group companies	14,516	1,748
Amount owed to Company undertakings	5,934	1,711
	<u>307,826</u>	<u>262,211</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.

20. Defined contribution pension plan

The Company has a 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 employee contribution. At 31 December 2017 the Company had a liability of approximately £76k (31 December 2016 £93k), included in other liabilities in the accompanying balance sheets, related to the pension scheme. During the year the Company made pension contributions to the scheme on behalf of key management of £9k (2016: £9k).

21. Called up share capital

	31 December 2017 £000	31 December 2016 £000
Authorised: 350 thousand (2016: 350 thousand) ordinary shares of £1 each	<u>350</u>	<u>350</u>
Issued and fully paid:		
350 thousand (2016: 350 thousand) ordinary shares of £1 each	<u>350</u>	<u>350</u>

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

22. Retained earnings

	£000
Balance at 1 January 2016	41,167
Profit for the year	<u>17,275</u>
Balance at 31 December 2016 and at 1 January 2017	58,442
Profit for the year	<u>11,822</u>
Balance at 31 December 2017	<u>70,264</u>

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23. Notes to the cash flow statement

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Operating (loss)/profit	(319)	17,193
Adjustments for:		
Depreciation of property, plant and equipment	2,183	2,737
Amortisation of intangible assets	2,091	1,411
Goodwill write down	877	-
Operating cash flows before movements in working capital	4,832	21,341
(Increase)/decrease in inventories	329	(220)
Increase in receivables	(132,869)	(37,125)
Increase in payables	147,338	118,360
Cash generated by operations	19,630	102,356
Income tax paid	(1,307)	(394)
Interest paid	(154)	68
Net cash generated from operating activities	18,169	102,030

Changes in ownership interests in subsidiary

On 1 January 2017, the Company sold the trade and assets relating to the cash services business with a book value of £34.3m to Moneycorp CFX Limited, a related company, for a consideration of £47.5m. No cash was paid or received as part of the sale and the consideration amount was recorded as part of an intercompany balance.

The cash and cash equivalents of which the Company lost control over as a result of the sale amounted to £22.5m. The remaining net assets amounted to £11.8m.

Cash and cash equivalents

	31 December 2017 £000	31 December 2016 £000
Cash and bank balances	281,368	275,378
	<u>281,368</u>	<u>275,378</u>

Cash and cash equivalents comprise cash balances as well as £280m (2016: £234m) of customer balances. The corresponding liability is included within trade payables (Note 19). TTT Moneycorp Limited is regulated by the Financial Conduct Authority under the Payment Services Directive and is required to keep these funds in a client safeguarding account. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the balance sheet position as shown above.

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24. 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	1,690	46,531

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	1,602	38,542
In the second to fifth years inclusive	6,080	29,879
After five years	7,158	8,924
	14,840	77,345

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.

25. Financial Instruments

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders.

The capital risk management objective for the Company is to maintain sufficient liquidity after debt servicing to enable it to continue as a going concern.

The capital structure of the Company consists of net debt (borrowings disclosed in note 26 after deducting cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as disclosed in notes 21 to 22).

~~TTT Moneycorp Limited is regulated by the FCA under the Payment Services Directive and is required to keep an appropriate amount of these funds in a client safeguarding account.~~

The Company is not subject to any externally imposed capital requirements.

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25. Financial Instruments (continued)

Gearing ratio

The gearing ratio at the year-end is as follows:

	31 December 2017 £000	31 December 2016 £000
Debt	(1,087)	(11,198)
Cash and cash equivalents (excluding amounts held on behalf of customers)	1,817	41,077
Net Cash	730	29,879
Equity	70,915	59,093
Net cash to equity ratio	1%	51%

Debt is defined as long- and short-term borrowings (excluding derivatives contracts) as detailed in this note.

Equity includes all capital and reserves of the Company that are managed as capital.

The net debt to equity is in line with expectations.

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
Financial assets		
Cash and bank balances	281,368	275,378
Derivative assets	60,542	95,706
Loans and trade receivables	83,721	27,977
	425,631	399,061
Financial liabilities		
Derivative liabilities	(55,394)	(83,405)
Borrowings and trade payables	(307,826)	(272,354)
	(363,220)	(355,759)

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Notes to the company financial statements
For the year ended 31 December 2017

25. 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 brokering derivative contracts, specifically foreign currency forwards and foreign currency options, entering back to back contracts with the customer and vendor. The back to back nature of the transactions eliminates exchange rate risk of the Company's operations and means the financial exposure of the Company is limited to client credit risk. The company has considered other risks including market risk (currency risk, fair value, interest rate risk and price risk), liquidity risk and cash flow interest rate risk. Any changing risk profile in one contract will be mitigated by an offset in the corresponding back to back contract arrangement.

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

The sensitivity to market risk is therefore immaterial.

Foreign currency risk management

The Company undertakes derivative transactions denominated in foreign currencies, however is not consequently exposed to exchange rate fluctuations. All exchange rate fluctuations between the Company and the customer are economically hedged through a corresponding movement in the contract entered into with the vendor.

The Company does maintain bank balances in a number of currencies, and is therefore exposed to movements in foreign exchange rates on these limited balances. The amount of foreign currency balances is not material to the Company.

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 amount of foreign currency stock held is not material to the Company.

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Notes to the company financial statements

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25. Financial Instruments (continued)

Interest rate risk management

The Company has intercompany borrowings from Regent Acquisition (Holdings) Limited of £1m (2016: £1m) secured at a 10% fixed rate.

The Company received interest from bank balances of £0.3m (2016: £0.2m).

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 Company 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.

For certain clients the Company requires collateral to be posted when their positions are out of the money above a certain tolerance level.

Financial assets that were past due or impaired as at the 31 December 2017 amounted to £653k (2016: £558K).

Credit quality

In the absence of external credit ratings, the credit quality of forward contracts that are neither past due nor impaired are assessed by management taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For all other material receivables the Company obtains external credit ratings which are regularly monitored by the Company.

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25. Financial Instruments (continued)

	2017 £000	2016 £000
<i>Counterparties without external credit rating</i>		
	Forward contracts	Forward contracts
Credit rating = 5	33,634	40,333
Credit rating = 4	16,757	38,608
Credit rating = 3	-	6,671
	<u>50,391</u>	<u>85,612</u>

The Company scores customers using a scale of 1 to 7. With category 1 being the least risky, equivalent to Investment grade and grade 7 being the riskiest Company. All customers fall between grades 3 and 5 which reflects the SME nature of the Company's client base.

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25. Financial Instruments (continued)

Liquidity risk management

The settlement of spot and forward contracts and other short term working capital requirements requires adequate liquidity which is generated through intra-day settlement facilities. These facilities are provided through financial institutions with which the Company has a long trading history. The Company seeks to manage this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative 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.

	Within 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	5+ years £000	Total £000
31 December 2017					
Borrowing principal and interest payments:					
Loan	-	-	(1,087)	-	(1,087)
Obligations under finance lease	-	-	-	-	-
Trade and other payables	(308,157)	-	-	-	(308,157)
	<u>(308,157)</u>	<u>-</u>	<u>(1,087)</u>	<u>-</u>	<u>(309,244)</u>
31 December 2016					
Borrowing principal and interest payments:					
Loan	(10,143)	-	(1,055)	-	(11,198)
Obligations under finance lease	(163)	(57)	(33)	-	(253)
Trade and other payables	(262,211)	-	-	-	(262,211)
	<u>(272,517)</u>	<u>(57)</u>	<u>(1,088)</u>	<u>-</u>	<u>(273,662)</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the reporting date.

The Company has access to financing facilities, of which £39.25 million were unused at the balance sheet date (2016: £30.35 million). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

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25. Financial Instruments (continued)

The following table details the Company's liquidity analysis for its derivative financial instruments based on contractual maturities. The table has been drawn up based on the undiscounted net cash inflows and outflows of derivative instruments that settle on a net basis. Brokering derivative contracts, specifically foreign currency forwards and foreign currency options, involves entering back to back contracts with the customer and vendor. The back to back nature of the transactions means that for each trade there is a cash outflow in one currency and a cash inflow in another currency and as such it is appropriate to present both the cash inflows and outflows.

Assets	Within 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	5+ years £000	Total £000
31 December 2017					
Foreign exchange forward contracts	47,507	2,883	-	-	50,391
Foreign exchange options	6,086	4,050	14	-	10,151
	<u>53,594</u>	<u>6,933</u>	<u>14</u>	<u>-</u>	<u>60,542</u>
31 December 2016					
Foreign exchange forward contracts	75,572	10,040	-	-	85,612
Foreign exchange options	6,763	3,331	-	-	10,094
	<u>82,335</u>	<u>13,371</u>	<u>-</u>	<u>-</u>	<u>95,706</u>
Liabilities					
	Within 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	5+ years £000	Total £000
31 December 2017					
Foreign exchange forward contracts	(38,858)	(6,845)	-	-	(45,704)
Foreign exchange options	(5,810)	(3,866)	(14)	-	(9,690)
	<u>(44,669)</u>	<u>10,712</u>	<u>(14)</u>	<u>-</u>	<u>(55,394)</u>
31 December 2016					
Foreign exchange forward contracts	(64,993)	(8,634)	-	-	(73,627)
Foreign exchange options	(6,551)	(3,227)	-	-	(9,778)
	<u>(71,544)</u>	<u>(11,861)</u>	<u>-</u>	<u>-</u>	<u>(83,405)</u>

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25. Financial Instruments (continued)

Fair value measurements

The information set out below provides information about how the Company determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	Fair value	Fair value	Fair value hierarchy
£000	31/12/17	31/12/16	
1) Foreign currency forward contracts	50,391 (45,704)	85,612 (73,627)	Level 2
2) Un- adjusted forwards MTM (excluding CVA and DVA)	51,088 (47,968)	86,179 (77,274)	
3) Foreign currency options	10,151 (9,691)	10,094 (9,778)	
4) Un- adjusted options MTM (excluding CVA and DVA)	10,051 (10,051)	10,094 (10,094)	

There were no transfers between Level 1 and 2 or Level 2 and 3 in the current or prior year.

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25. Financial Instruments (continued)

Foreign currency forward contracts values are determined by observable forward exchange rates and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

Foreign currency options are valued using a range of market standard valuation models. The model and methodology used is dependent on the type of option product. The key inputs are:

- underlying value of the currency
- strike price
- time to expiration
- volatility of underlying asset
- risk free rate

The valuations are discounted at a rate that reflects the credit risk of the counterparty.

Fair value measurements of financial instruments

	31 December 2017			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Derivative assets	-	60,542	-	60,542
Total	-	60,542	-	60,542
Derivative liabilities	-	(55,394)	-	(55,394)
Total	-	(55,394)	-	(55,394)

The directors consider that the carrying amounts of all trade and other payables/receivables and borrowings recorded at amortised cost in the financial statements to approximate their fair values.

The fair value of derivative financial assets is calculated as the mark to market less any credit valuation adjustments (CVA). The fair value of the derivative financial liabilities is calculated as the mark to market less any debit valuation adjustments (DVA).

The mark to market of the foreign currency forwards and options are provided by an external valuation company.

Where a trade is out of the money at the year-end a CVA is calculated to reflect the credit risk associated with that client.

For certain clients the Company requires collateral to be posted when their positions are out of the money above a certain tolerance level.

Where the Company is holding collateral from a client those funds are deducted from the out of the money exposures before the CVA is calculated.

Where a trade is in the money a DVA is applied to the balance payable by the Company to reflect the credit risk associated with the Company. This adjustment is calculated using an estimate of the Company's borrowing costs.

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25. Financial Instruments (continued)

	31 December 2016			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Derivative assets	-	95,706	-	95,706
Total	-	95,706	-	95,706
Derivative liabilities	-	(83,405)	-	(83,405)
Total	-	(83,405)	-	(83,405)

26. Subsidiaries

The Company is a parent company of a number of wholly owned subsidiaries which operate and are incorporated in various locations globally.

Information about the subsidiaries of the Company at the end of the reporting year is as follows:

Name	Place of Incorporation (or registration) and operation	Principal activity
Moneycorp SLU	Spain	Introducing broker
TTT Moneycorp Pty Ltd.	Australia	Foreign exchange provider
Moneycorp Brasil Participacoes Ltda	Brazil	Investment holding

27. Events after the balance sheet date

TTT Moneycorp Limited acquired 100% of First Rate FX limited on 31st January 2018.

TTT Moneycorp Limited acquired 42.5% of Novo Mundo Corretore de Cambio S/A on 5th January 2018. A further 47.5% acquisition is expected to complete in 2018.

28. 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 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 were Bridgepoint Europe IV (Nominees) Limited.

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28. Related party transactions

Transactions between the Company and its associates are disclosed below.

Trading transactions

During the year, the Company entered into the following transactions with related parties who are not members of the Company. The gross amount of currencies sold to these companies is shown below:

Parent

	31 December 2017 £000	31 December 2016 £000
Bridgepoint Europe IV (Nominees) Limited	-	676,200

Other related parties

The gross amount of currencies sold to these companies is shown below:

	31 December 2017 £000	31 December 2016 £000
Fat Face Ltd	20,015	17,919
Wiggle Limited	8,555	25,377
Element Materials Technology Holding UK Ltd	53,560	59,322
Loc Company Ltd	13,478	15,061
Hobbycraft Trading Limited	58,640	-

These transactions were made on an arm length basis.

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28. Related party transaction (continued)

Other related parties

The following gross amounts relating to unsettled currency contracts were outstanding as at the balance sheet date:

	31 December 2017 £000	31 December 2016 £000
Fat Face Ltd	9,039	16,147
Wiggle Limited	-	4,787
Element Materials Technology Holding UK Ltd	-	13,743
Loc Company Ltd	-	6,775
Hobbycraft Trading Limited	9,529	-

Fat Face Ltd, Wiggle Limited, Element Materials Technology Holding UK Ltd, Loc Group Ltd and Hobbycraft Trading Limited are entities connected by common control.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Directors' and management transactions

The following transactions were entered into by directors of the company during the year:

M Horgan entered into foreign exchange transactions yielding commission income of £7 (2016: £10) with an average margin of 0.03%. No transactions were outstanding at the year end (2016: £843).

N Haslehurst entered into foreign exchange transactions which generated commission for the Company of £36 (2016: £1) at an average margin of 0.16%. No transactions were outstanding at the year end (2016: £nil).

P Lever entered into foreign exchange transactions yielding commission income for the Company of £196 (2016: £243) at an average margin of 1%. Transactions totalling £1,000 were outstanding at the year end (2016: £1,675).

S Green had one foreign exchange transaction of £2,339 during the year yielding no profit to the Company (2016: £6,573). No transactions were outstanding at the year end (2016: £nil)

R Moores had no foreign exchange transactions during the year (2016:£nil). No transactions were outstanding at the year end (2016: £nil).

Private client transactions carried out on standard terms will earn the group a margin in the range of 1% to 1.5%.

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28. Related party transaction (continued)

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	31 December 2017 £000	31 December 2016 £000
Short-term employee benefits	1,339	1,033
Post-employment benefits	9	9
	<u>1,348</u>	<u>1,042</u>

One director is a member of a money purchase pension scheme which the Company contributed £9k (2016: £9k) and is reflected in the post-employment benefit line above.