Travelex Holdings Limited

Report and consolidated financial statements
for the year ended 31 December 2011
Travelex Holdings Limited
Directors and advisers

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Registered number
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Travelex Holdings Limited
Directors’ report
for the year ended 31 December 2011

The Directors present their report and the audited financial statements of Travelex Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 31 December 2011. The Group financial statements comprise the consolidated financial statements of the Company, including its subsidiary and associated undertakings as defined by International Financial Reporting Standards as adopted by the European Union (EU IFRS).

Principal activities

During the year the Group’s principal activities were the sale of foreign currency banknotes, prepaid cards, and other foreign exchange related products to retail consumers and the provision of cross border payment services to business customers. These activities were structured into three divisions: Currency Services, Global Business Payments and Card & Mobile Payments.

On 15 April 2011 the Group disposed of its Card Program Management business to MasterCard Incorporated and on 7 November 2011 the Group disposed of the majority of its Global Business Payments division to Western Union Incorporated. The results of these businesses up to the date of disposal are included in the Group’s results. Those businesses within the Card & Mobile Payments division that have not been disposed have been incorporated into the Currency Services division. The prior year comparatives have been restated on the same basis.

Following these disposals, Travelex remains the world’s leading retail foreign exchange specialist, with over 1,650 branded retail and ATM outlets, principally located in airports and tourist locations. The business sells banknotes and other foreign exchange and travel related products and provides services to individuals travelling for business and leisure purposes. The business also provides outsourced travel money services by supplying the foreign currency needs of financial institutions, supermarkets and travel agencies, as well as fulfilling the individual orders of their customers.

Products and services include cash fulfilment and wholesale banknote supply, remittances, the distribution of travel insurance policies and the issuance or provision of Cash Passports. Cash Passports are pre-loaded currency cards that can be used to withdraw cash at ATMs worldwide or to pay retailers at point of sale using the MasterCard Incorporated or VISA network.

Travelex also offers a Currency Select product. Currency Select is a service that uses Dynamic Currency Conversion (DCC) technology to instantly recognise foreign credit cards, allowing retail and online merchants to offer foreign cardholders the option of paying in the cardholder’s home currency. It also allows financial institutions to DCC-enable their ATMs and point of sale systems, providing cardholders with withdrawals which are fixed in their home currency.

During the year, the Group operated through its subsidiaries and branches in four regions: the United Kingdom; Americas; Asia Pacific; and Europe, Middle East and Africa (EMEA).

Acquisitions

During the year, the Group entered into two strategic acquisitions to develop its geographical footprint in Southern Africa and South America.

On 27 May 2011, the Group announced the agreement to acquire Grupo Confianza, the largest independent foreign exchange provider in Brazil. The acquisition is subject to Brazilian Central Bank and Presidential approval which is expected to be received during 2012. Travelex will initially acquire 49% of the business with a commitment to acquire the remaining 51% shareholding by November 2014. Grupo Confianza’s card program management business was not subject to regulatory approval and was acquired on 24 May 2011.

On 4 November 2011 the Group completed its acquisition of a 49% equity shareholding in FX Africa Foreign Exchange (Proprietary) Limited (FX Africa). FX Africa is one of South Africa’s largest
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consumer foreign exchange providers. The results of this business from the date of acquisition are included in the Group's results.

Businesses Held for Sale

During 2011 the Group agreed to dispose of its Asia Travel business and the French operations of its Global Business Payments business. These disposals are expected to complete during 2012 and the businesses have been classified as Held for Sale in these financial statements.

Strategy

The Group has built a valuable, internationally recognised brand around its core competency in foreign exchange focusing on the needs of retail consumers. The Group’s strategy is to grow the income of its consumer focused operations organically and through selective acquisitions, to improve profitability through a focus on margins and cost control, and to maximise cash generation.

i. Organic growth

The primary strategy is to pursue organic growth opportunities where the Group has leading competitive positions.

Travelex aims to win profitable market share by focusing on core retail disciplines aimed at consumers. The business aims to expand into new geographies and open in new airports and downtown locations where it is economically attractive to do so and where it can generate economies of scale. It aims to also develop new channels such as ATMs and online, and exit less profitable or non core locations. It will continue to market and sell Travelex branded prepaid cards through multiple channels under the long term contract with MasterCard Incorporated. The cash fulfilment business uses its expertise in managing banknote supply and distribution by targeting the needs of financial and other institutions for foreign currency banknotes, wholesale banknotes and insurance products.

ii. Acquisitions and disposals

The Group will continue to consider selective acquisition opportunities where it can develop its geographic footprint, achieve economies of scale and create significant synergies. As outlined above, the Group will also consider disposals of businesses where we create better shareholder value by doing so.

iii. Improve profitability

The Group will focus on delivering excellent customer service, managing foreign exchange margins and reducing the costs of delivery and overheads to maximise economies of scale.

iv. Focus on cash generation

The Group will continue to maximise available cash flow through the implementation of cost saving and efficiency initiatives and a disciplined approach to working capital management and capital expenditure.

Key strengths

Some of the key strengths of the Group are summarised as follows:

i. Diversified business profile

Travelex has a unique international business that benefits from a diversified business profile in terms of its geographic footprint and customer base. The Group operates in 23 countries, across six
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continents, giving it a local presence in major business centres around the world and reducing its exposure to regional fluctuations in business or travel activity. Travelex has a broad base of customers and customer types, limiting its exposure to any individual retail or corporate customer. In 2011, the Group’s Currency Services business conducted nearly 20 million transactions for retail consumers and fulfilled approximately 575 customer contracts. The largest customer accounted for approximately 1% of the Group’s income.

ii. Strong brand with market leading positions

The Travelex brand is internationally recognised and has been promoted by the Group’s extensive retail network of prominent outlets in key airports and downtown locations. Strong brand recognition helps the Group to maintain strong relationships with its existing customers whilst also making it an attractive partner for new customers.

Travelex is the leading specialist in currency services and is well positioned to benefit from the global economic recovery and the underlying trends in global trade and international travel. Retail growth is driven by expansion of the business into new geographies and development of new channels in which to transact with customers. Cash fulfilment growth is driven by financial institutions, supermarkets and travel agencies outsourcing the provision of foreign exchange banknotes.

iii. Extensive retail network

Travelex’s global retail network of over 1,650 branches and ATMs in airports and downtown tourist locations represents a significant competitive advantage. Presence in many of the world’s busiest airports gives Travelex access to a large proportion of international air passenger traffic. The size and presence of the network, together with Travelex’s high level of brand recognition and operational expertise, makes the Group a prime partner for co-concessionaires and an attractive tenant for gateway landlords.

iv. Long-term contracts and relationships

The Group benefits from long-term contracts and has a good record of maintaining and renewing retail contracts not only with airports but also through a portfolio of long-term contracts with major financial institutions and travel agents, including Barclays, RBS, National Australia Bank, Suncorp and Thomas Cook.

Performance measurement

Throughout the financial statements EBITDA is defined as earnings before finance costs, tax, depreciation, amortisation and exceptional items.

The Group’s most significant Key Performance Indicators (KPIs) are income growth, EBITDA growth and cash generation. Each business has a management team responsible for the operations of the division worldwide and they use a number of financial and non financial KPIs in order to manage and develop the business to achieve the Group’s strategic objectives. These are discussed in the operating reviews of each business below.

Operating review

Income and EBITDA as internally reported is summarised in the following table. A reconciliation to statutory reported results is included in Note 2 to the financial statements. The adjustments are the deconsolidation of certain investments, principally in Travelex Currency Services Limited, which provides outsourced foreign currency services to banks and travel agents in the UK, and which are accounted for as joint ventures under IFRS.
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<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency Services</td>
<td>579.7</td>
<td>540.0</td>
<td>7%</td>
</tr>
<tr>
<td>Card Program Management</td>
<td>14.1</td>
<td>49.2</td>
<td>(71%)</td>
</tr>
<tr>
<td>Core operations</td>
<td>593.8</td>
<td>589.2</td>
<td>1%</td>
</tr>
<tr>
<td>Non core operations</td>
<td>8.1</td>
<td>9.0</td>
<td>(10%)</td>
</tr>
<tr>
<td>Total continuing operations</td>
<td>601.9</td>
<td>598.2</td>
<td>1%</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>130.8</td>
<td>141.5</td>
<td>(8%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>732.7</strong></td>
<td><strong>739.7</strong></td>
<td><strong>(1%)</strong></td>
</tr>
</tbody>
</table>

**EBITDA**

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency Services</td>
<td>106.1</td>
<td>106.0</td>
<td>0%</td>
</tr>
<tr>
<td>Card Program Management</td>
<td>1.2</td>
<td>13.0</td>
<td>(91%)</td>
</tr>
<tr>
<td>Other</td>
<td>(40.7)</td>
<td>(33.5)</td>
<td>(21%)</td>
</tr>
<tr>
<td>Core operations</td>
<td>66.8</td>
<td>85.5</td>
<td>(22%)</td>
</tr>
<tr>
<td>Non core operations</td>
<td>4.6</td>
<td>3.8</td>
<td>21%</td>
</tr>
<tr>
<td>Total continuing operations</td>
<td>71.2</td>
<td>89.3</td>
<td>(20%)</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>43.6</td>
<td>41.3</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>114.8</strong></td>
<td><strong>130.6</strong></td>
<td><strong>(12%)</strong></td>
</tr>
</tbody>
</table>

Core operations income grew 1% in 2011 with reported growth across all regions within the Currency Services division. This growth was achieved against a continued backdrop of fragile economic conditions in key markets. As in 2010, natural disasters have again impacted the performance growth of the business, particularly in the Asia Pacific region where a series of natural disasters included the Japanese earthquake and tsunami.

The Core operations results for the period include those of the Card Program Management business up to its disposal on 15 April 2011. Following the disposal of the Card Program Management business those businesses within the Card & Mobile Payments division that were not disposed of were incorporated into the Currency Services division. The prior year comparatives have been restated on the same basis.

Other costs have increased 21% in the year reflecting increased investment in the Group infrastructure.

Discontinued operations represent the Global Business Payments division up to the date of disposal on 7 November 2011.

**Currency Services**

Currency Services income grew by 7% and EBITDA was in line with 2010.

The business restructure brought together the retail and cash fulfilment channels under Currency Services and the year saw signs of recovery in both business and leisure travel which had been affected by the economic decline in earlier years. Walk up transaction numbers globally were 3% up on 2010, with average transaction values also up 3%.

In the year Travelex celebrated the 35th anniversary of the opening of its first store, the global retail network continued to expand at airports and tourist locations and in supermarkets in the UK, opening its 1,000th store and 500th ATM.

The business won the contracts for Toronto Pearson, Canada and Hiroshima Airport, Japan and the Group continued to extend its geographical footprint by entering Malaysia and completing the acquisition of a significant shareholding in FX Africa thereby gaining a strong foothold in the sub Sahara African market. The retail network now operates in 23 countries and over 1,650 outlets.
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The online channel continues to demonstrate significant growth, with global turnover up 34% year on year. In the US the increase in turnover was 212% following the launch of www.us.travelex.com in late 2010. Further expansion of the Group’s online proposition is planned for 2012.

Cash Passport sales were 39% up on 2010, with the Netherlands, France and US demonstrating most significant growth. During the year the Group launched the Cash Passport product offering into the Canadian market.

Outside the retail network the Wholesale Banknotes business saw a quieter 2011 driven by lower volumes, particularly in Africa. Cash fulfilment benefitted from the annualisation of the Lloyds Banking Group contract signed in 2010. The business also opened in 90 further supermarket stores in the UK.

In the following commentary all numbers exclude the impact of year on year movements in foreign exchange rates:

- UK income was up 13% with both transaction numbers and average transaction values up against the prior year. The further roll out of 50 ATM machines and supermarket locations during the year and the annualisation of the Lloyds Banking Group contract win within the cash business also contributed to the year on year growth. Costs overall for the region were 13% above prior year driven by increased rent anc staff costs resulting in EBITDA of £42.8m, up 16%;

- Americas income grew 8% with a 2% increase in transactions and a 6% increase in average transaction values. Insurance income was flat on 2010 with EBITDA of £6.0m up 9%. Total costs for the region were 8% up on 2010 largely as a result of increased rent and staff costs with EBITDA of £15.5m, 11% up compared to 2010;

- Asia Pacific income grew 7%. Transaction growth was driven by an increase in the number of stores across the region. Costs overall for the region were 13% above prior year driven by increased rent from new stores, onerous contract provisions and staff costs. This resulted in EBITDA of £11.2m, down 36%;

- EMEA income grew 5%. Income from wholesale banknote fulfilment decreased by 5% on 2010 and EBITDA of £17.8m fell 8% driven by lower volumes from large customers in Africa and a key Scandinavian customer. With the exception of the Netherlands, where income was 2% down on 2010, there was strong growth in all EMEA retail businesses. Costs for the region increased 4% year on year driven by increased rental and salary costs. Overall EBITDA in the region grew by 10% to £45.7m;

- Currency Select income was down 5% in the year due to the impact of the Queensland floods on its core Australia market and the strong Australian Dollar impacting inbound tourism. Cost base control resulted in EBITDA of £0.3m, £0.1m below 2010.

Card Program Management

Prior to the Card Program Management business being sold to MasterCard Incorporated on 15 April 2011 the business generated EBITDA of £1.0m. This was £0.3m down on the same period in the prior year. An additional £0.2m was generated from the newly acquired Card Program Management business in Brazil.

Non core operations

Since the Group ceased issuing travellers’ cheques in early 2008 it has focused on managing the orderly wind down of the business. This is proceeding to plan with liquidity and encashments in line with expectations. The non core business generated £4.6m of EBITDA compared to £3.8m in 2010.
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Discontinued operations - Global Business Payments

In July 2011, the Group announced the sale of the Global Business Payments business to Western Union Incorporated for £606.0m in cash. This business provided international payment services to 34,000 businesses making £21 billion in payments each year with products comprising multi-currency spot contracts, forward contracts and some options contracts. The transaction completed on 7 November 2011.

Prior to its disposal to Western Union Incorporated, Global Business Payments grew income by 9% and EBITDA by 25% compared to 2010.

Revenue was up strongly on 2010 across all regions, with the core book up 8% and transition book 41% ahead of 2010, offsetting a 14% lower new business performance. The growth was driven by the verticals and channels and SME markets, with a decline in the enterprise and corporate sector in the UK and North America. Good cost control and the operating leverage of the business led to costs increasing 2% year on year. This resulted in double digit EBITDA growth in each of the regions.

The business continued to maintain its focus on credit risk and did not suffer any significant bad debts during the period.

Profit for the year

The Group reported a statutory profit after tax of £377.6m (2010: £59.6m loss) for the year, driven by the profit on disposal of the Card Program Management and Global Business Payments businesses.

The Group's Balance Sheet and Income Statement are significantly influenced by the capital structure, which is typical of a private equity owned business with a high degree of debt financing. The consequence of this financing is a significant finance charge to the Income Statement and there is a distinction to be made between the cash costs of servicing debt and this accounting charge. Understanding the cashflow and the impact of debt service is key to assessment of the financial position of the Group.

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>114.8</td>
<td>130.6</td>
</tr>
<tr>
<td>Adjustment for accounting for joint ventures</td>
<td>(8.2)</td>
<td>(7.5)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(16.5)</td>
<td>(19.6)</td>
</tr>
<tr>
<td>Adjustment for discontinued activities</td>
<td>(7.2)</td>
<td>(21.1)</td>
</tr>
<tr>
<td>Adjustment for management exceptional items</td>
<td>(12.2)</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Net finance costs in respect of cash pay items</td>
<td>(44.2)</td>
<td>(52.5)</td>
</tr>
<tr>
<td>Net finance costs in respect of non-cash pay items</td>
<td>26.5</td>
<td>20.1</td>
</tr>
<tr>
<td>Exceptional items for statutory purposes before tax</td>
<td>(118.2)</td>
<td>(108.2)</td>
</tr>
<tr>
<td>Gain on sale of businesses before tax</td>
<td>38.0</td>
<td>11.8</td>
</tr>
<tr>
<td>Tax on exceptional items</td>
<td>435.6</td>
<td>-</td>
</tr>
<tr>
<td>Tax</td>
<td>(11.2)</td>
<td>3.0</td>
</tr>
<tr>
<td>Statutory profit (loss) after tax</td>
<td>5.9</td>
<td>13.7</td>
</tr>
</tbody>
</table>

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

Depreciation and amortisation

The Group charged £5.7m of amortisation of intangibles in the year (2010: £7.9m). The depreciation charge for the year was £10.8m (2010: £11.7m).
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Exceptional items

Management reporting included exceptional items of £12.2m (2010: £9.8m) that are not considered exceptional for statutory reporting purposes. These relate to one off non recurring contract implementation, internal reorganisation and other miscellaneous items.

The statutory exceptional charges are as follows:

The profit on disposal of the Global Business Payments division and the Card Program Management business totalling £435.6m has been treated as exceptional in the year. Corporate transaction costs, principally relating to the acquisition of Grupo Confidence and FX Africa, of £7.6m have been treated as exceptional in the year. Impairments of £8.1m have been taken on the investment in FX Africa and on the goodwill relating to the Card Program Management business acquired in Brazil during the year.

The Directors are required to estimate the expected life of the term loans which have a maturity of between 2015 and 2035. They have considered a range of potential refinancing structures available to the Group and selected October 2014 (2010: October 2012) as being their best estimate of when such refinancing is expected to occur. The reassessment during the year of the expected maturity date has resulted in an exceptional credit of £56.0m (2010: £25.8m). This is an accounting credit and has no impact on the cashflow of the Group.

An exceptional debit of £1.3m (2010: £8.6m) arose on the retranslation of Group debt, which is financing overseas subsidiaries and where it is held in the non functional currency of a reporting entity. The Group economically hedges the debt with structural intercompany loans. Under IFRS the exchange differences arising on the retranslation of the structural intercompany loans are posted directly to equity.

Capital structure and net finance costs

Balance Sheet debt is divided between 'cash-pay' debt, which is debt that requires cash interest and repayment, and 'non cash-pay debt', which is debt whose interest compounds and does not require settlement until maturity. During the year the Group substantially reduced the amount of its cash pay debt, by using proceeds from the disposal of the Card Program Management and Global Business Payments businesses to repay all of its outstanding Senior term debt. Prior to repayment this debt required £39.4m of cash interest (2010: £40.7m) and £13.1m of mandatory repayment during the year (2010: £11.0m). The table below highlights that as at the end of the year 99% of the Group's debt is non cash pay, and of this 73% is from shareholders.

<table>
<thead>
<tr>
<th>Borrowings from non shareholders</th>
<th>£m</th>
<th>% of total debt</th>
<th>Term</th>
<th>Interest payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdrafts and other borrowings</td>
<td>5.7</td>
<td></td>
<td></td>
<td>Typically monthly</td>
</tr>
<tr>
<td>Total cash pay</td>
<td>5.7</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other notes – senior PIK notes</td>
<td>292.4</td>
<td>27%</td>
<td>2015</td>
<td>On redemption</td>
</tr>
<tr>
<td></td>
<td>298.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Borrowings from shareholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preference shares classified as borrowings</td>
<td>124.0</td>
<td>2020</td>
<td>On redemption</td>
<td></td>
</tr>
<tr>
<td>Loan notes and preference certificates</td>
<td>692.7</td>
<td>2035</td>
<td>On redemption</td>
<td></td>
</tr>
<tr>
<td><strong>Total Debt</strong></td>
<td>816.7</td>
<td>73%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The borrowings from shareholders are excluded from the Group's liabilities, the Group would report £340.8m (2010: (£96.0m)) of net assets.
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Tax

The tax credit for the continuing business before exceptional items was £5.9m (2010: £13.7m) which arose principally on the loss for the year. Cash corporation tax paid was £13.6m (2010: £6.3m). For further details of the tax credit see Note 7.

Cashflow

As highlighted in the operating review of each business, the key measure of performance is EBITDA and this is consistent with management's significant emphasis on cashflow generation. The Group generated good EBITDA to cash conversion in the year enabling it to invest in business development and to service the senior secured debt which required cash interest prior to repayment. The Group generated £82.1m of cash before debt servicing costs, investment in capital expenditure, and the impact of acquisitions and disposals.

<table>
<thead>
<tr>
<th>£m</th>
<th>2011 Core</th>
<th>2011 Non core</th>
<th>2011 Group</th>
<th>2010 Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before depreciation, amortisation and impairment</td>
<td>72.3</td>
<td>4.6</td>
<td>76.9</td>
<td>94.1</td>
</tr>
<tr>
<td>Working capital movements</td>
<td>37.0</td>
<td>(24.7)</td>
<td>12.3</td>
<td>43.0</td>
</tr>
<tr>
<td>Cash Passport liabilities</td>
<td>(1.9)</td>
<td>-</td>
<td>(1.9)</td>
<td>19.3</td>
</tr>
<tr>
<td>Dividends from joint ventures</td>
<td>8.4</td>
<td>-</td>
<td>8.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Total</td>
<td>115.8</td>
<td>(20.1)</td>
<td>95.7</td>
<td>162.6</td>
</tr>
<tr>
<td>Tax</td>
<td></td>
<td></td>
<td>(13.6)</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td></td>
<td></td>
<td>(32.4)</td>
<td>(29.1)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td></td>
<td></td>
<td>(43.0)</td>
<td>(51.7)</td>
</tr>
<tr>
<td>Cash generated before debt principal repayment, acquisitions and disposals</td>
<td></td>
<td></td>
<td>6.7</td>
<td>75.5</td>
</tr>
</tbody>
</table>

Dividends

No interim dividends were declared during the current or prior years and the Directors do not recommend the payment of a final dividend.

Outlook

The Board has approved a detailed budget for 2012 which is based on realistic and achievable income, EBITDA and cash generation expectations. The underlying performance of the Group is expected to show growth in the year with an expectation that trading conditions will remain challenging throughout 2012, especially in the Western hemisphere, although this will mitigated by a number of cost reduction and efficiency initiatives.

The Group expects a return to passenger volume growth, although this will remain below long term trends in the short term. Airport and other transport related passenger volumes are key external dependencies and uncertainties around their development may have an impact on performance. The Group anticipates that an increased focus on new growth markets and expansion in existing territories, the continued rollout of ATMs and e-commerce and mobile solutions will underpin this growth in the longer term. The Group plans to continue its investment in the development of its product portfolio, IT infrastructure and alternative channels to extend the reach of its products.

For illustrative purposes the table below shows the proforma results of the ongoing business based upon the geographies in which the Group operates with a reconciliation from the internally reported results.
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### Income

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK, Europe and Americas</td>
<td>394.4</td>
<td>365.2</td>
<td>8%</td>
</tr>
<tr>
<td>Middle East, India and Africa</td>
<td>16.9</td>
<td>14.0</td>
<td>21%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>164.2</td>
<td>147.6</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>3.1</td>
<td>1.9</td>
<td>63%</td>
</tr>
<tr>
<td>Core operations</td>
<td>578.6</td>
<td>528.7</td>
<td>9%</td>
</tr>
<tr>
<td>Non core operations</td>
<td>8.1</td>
<td>9.0</td>
<td>(10%)</td>
</tr>
<tr>
<td><strong>Total ongoing operations</strong></td>
<td><strong>586.7</strong></td>
<td><strong>537.7</strong></td>
<td><strong>9%</strong></td>
</tr>
</tbody>
</table>

### EBITDA

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK, Europe and Americas</td>
<td>94.3</td>
<td>84.0</td>
<td>12%</td>
</tr>
<tr>
<td>Middle East, India and Africa</td>
<td>6.4</td>
<td>6.2</td>
<td>3%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>11.1</td>
<td>17.6</td>
<td>(37%)</td>
</tr>
<tr>
<td>Other</td>
<td>(52.4)</td>
<td>(45.2)</td>
<td>(16%)</td>
</tr>
<tr>
<td>Core operations</td>
<td>59.4</td>
<td>62.6</td>
<td>(5%)</td>
</tr>
<tr>
<td>Non core operations</td>
<td>4.6</td>
<td>3.8</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total ongoing operations</strong></td>
<td><strong>64.0</strong></td>
<td><strong>66.4</strong></td>
<td><strong>(4%)</strong></td>
</tr>
</tbody>
</table>

Reconciliation of internally reported results for the year to ongoing business

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>As internally reported</td>
<td>732.7</td>
<td>739.7</td>
</tr>
<tr>
<td>Disposed businesses</td>
<td>114.8</td>
<td>130.6</td>
</tr>
<tr>
<td>Card Program Management</td>
<td>(14.1)</td>
<td>(49.2)</td>
</tr>
<tr>
<td>Global Business Payments</td>
<td>(130.8)</td>
<td>(141.5)</td>
</tr>
<tr>
<td>Disposal Adjustments</td>
<td>(1.2)</td>
<td>(43.6)</td>
</tr>
<tr>
<td>Card Program Management</td>
<td>(0.8)</td>
<td>(11.0)</td>
</tr>
<tr>
<td>Global Business Payments</td>
<td>(0.3)</td>
<td>(4.8)</td>
</tr>
<tr>
<td><strong>Total ongoing operations</strong></td>
<td><strong>586.7</strong></td>
<td><strong>537.7</strong></td>
</tr>
</tbody>
</table>

In the first two months of 2012 the Group has performed as expected. 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.

### Post reporting date events

There have been no material events since the balance sheet date.
Risk management

The Group risk management framework is designed to ensure that material business risks throughout the organisation are identified and effectively managed.

Travelex operate a three lines of defence risk management model and responsibility for risk management resides at all levels within Travelex, from the Board and the Executive Committee down through the organisation to each business manager. These responsibilities are distributed so that risk/return decisions are taken at the most appropriate level; as close as possible to the business, and subject to robust and effective review and challenge. The responsibilities for effective review and challenges reside with senior managers, Internal Audit, the independent Risk function, Business Risk Committees, Group Audit and Risk Committee and ultimately the Board.

Group Audit and Risk Committee

The Group Audit and Risk Committee monitors the ongoing process of identifying, evaluating and managing significant risks to the Group. The Committee meets five times a year and is chaired by Phil Hodkinson.

The Committee receives periodic reports from the Group Compliance and Risk Director covering the effectiveness of the systems of Internal control and all areas of regulatory risk including money laundering. Results of the internal audit function are also reviewed and the Committee is responsible for ensuring that internal audit processes are properly co-ordinated and operating effectively.

The Committee also reviews the scope and results of the external audit and ensures the independence and objectivity of the external auditors, including the nature and amount of non audit work that they undertake.

Management Group Risk Committee

The management Group Risk Committee meets monthly and reports into the Group Audit and Risk Committee. The Committee is chaired by the Group Risk and Compliance Director and comprises the Group Executive Committee, the Head of Internal Audit and other key personnel by invitation. The committee reviews the strategic risks to the business and undertakes a rolling review of the key risks that the business faces in order to evaluate the overall effectiveness of internal control. The committee also determines the mitigation approach on Group material risks areas and monitors the remediation of Group level control issues.

Travelex has identified the following key areas of risk:

i. **Financing assumptions and leverage**

During the year the Group repaid all of its senior term debt. The repayment of the senior term debt has significantly deleveraged the Group. The Directors are satisfied that there is sufficient remaining liquidity to meet the Group’s funding requirements.

ii. **Currency risk**

The Group has significant overseas operations conducting business in several foreign currencies. 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 and joint ventures into Sterling. These exposures are not hedged. In certain cases where the Group has borrowed in foreign currency and lent internally to subsidiaries, but has not designated the transaction as a hedge, gains and losses will be recognised in the income statement with offsetting amounts shown through the statement of comprehensive income. There is no material net impact as a result.
Travelex Holdings Limited
Directors’ report
for the year ended 31 December 2011

iii. Credit risk

Credit risk arises from the possibility that the Group will incur losses from its customers’ failure to meet their obligations. Credit exposures can arise, normally for a short period of time as the Group depends on its customers to pay for monies and services. Credit risk arises from financial institutions obligations to the Group under spot and forward contracts and from funds placed on deposit. All significant customer credit exposures require approval by authorised individuals who are separate from those who generate business.

iv. Liquidity risk

The settlement of spot and forward contract obligations requires adequate liquidity which is provided through intra-day settlement facilities. These facilities are provided by a diversified set of financial institutions with which the Group has a substantial trading history. In addition, the Group provides significant ancillary business to the majority of these counterparties. The Group also has available a committed revolving credit facility, of which £76.5m was undrawn as at 31 December 2011, to provide the appropriate short term liquidity.

The most significant liquidity risk facing non core operations is the risk that the encashment profile of outstanding travellers’ cheques does not match the term or amount of the investment of the travelers’ cheques float. This risk has been mitigated by using external actuarial valuations of the encashment profile to determine the profile of the deposits of the float. Additionally, a £20.0m overdraft facility is available to cover any short term liquidity issues.

v. Operational risk

Operational risk exposures are identified, managed and controlled through the Travelex Risk management Framework. This is designed to manage, rather than eliminate, the risk to the achievement of business objectives. The Group’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.

vi. Physical risk

Physical risk arises from the Group’s exposure to theft and misappropriation or damage to its physical assets, principally cash in tills, vaults and in transit. The Group employs a dedicated physical risk team which develops appropriate policies and procedures to mitigate this risk and oversees the compliance with the policies. These arrangements are reviewed by third parties on an ad hoc basis. The Group also maintains appropriate levels of insurance to limit its exposure.

vii. Regulation and compliance risk

Regulatory and compliance policy is led centrally by the Group Compliance and Risk Director 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. Money Laundering Reporting Officers (MLROs) are employed throughout the Group to implement Group policies and monitor transactions. The Group’s legal team, in conjunction with external legal advisers, advises on the regulatory environment in which the Group operates and provides advice on any measures required to maintain operating licenses as appropriate.

viii. Litigation

The Group is involved in a number of legal proceedings and commercial disputes which are not expected to materially affect its business.
Travelex Holdings Limited
Directors’ report
for the year ended 31 December 2011

Contractual arrangements

The Group has a small number of key contractual arrangements which are important to the business; amongst those are contracts with RBS and Barclays. RBS is the 20% minority shareholder in Travelex Currency Services Limited, and Barclays is the provider of finance to the non core travellers’ cheques business. In addition, both RBS and Barclays are also customers of the Group’s foreign currency services, suppliers of banknotes and providers of trading lines. The Group also has a number of key relationships with airport landlords, including BAA in the United Kingdom and Sydney Airport Corporation Limited in Australia. The Group also has key contractual relationships with both MasterCard Incorporated and Western Union Incorporated to deliver transitional services to the Group’s disposed businesses and to continue to offer their prepaid card and money transfer products as part of the Group’s product offering.

Controlling interest

The Group is a portfolio company of funds advised and managed by Apax Partners. These funds jointly have a controlling interest in the Group. Michael Phillips and James Ruane, who are both Directors of the Company, exercise oversight on behalf of Apax Partners.

Directors

The following were Directors during the year and held office throughout the year, unless otherwise indicated:

| Executive Directors | J P Jackson | Chief Executive Officer |
|                     | M D Ball1 | Chief Financial Officer |
| Representatives of Apax | M R Phillips | Non-Executive Director |
|                      | J E Ruane | Non-Executive Director |
| Other Directors | L M Dorfman CBE | Chairman |
|                   | P A Hodkinson2 | Non-Executive Director |
|                   | S Grabiner3 | Non-Executive Director |
|                   | Lord Stevens | Non-Executive Director |
|                   | G C Laws4 | Non-Executive Director |

Notes

1 M D Ball was appointed on 22 September 2011
2 P A Hodkinson is Chairman of the Group Audit and Risk Committee
3 S Grabiner was formerly a representative of Apax and is Chairman of the Remuneration Committee
4 Representative of Standard Chartered

C F Hill served as a Director until his resignation on 31 March 2011.

Corporate and Social Responsibility (CSR)

i. Employee engagement

The Group’s vision is to be the world’s leading foreign exchange and international payments specialist. Our objectives are to deliver long term, sustainable income and profit growth; to deliver great service to our customers; to deliver attractive options for our shareholders and to be a great place for our people to work. One of our five key goals is ‘To be a great place to work’ because we value creating a great colleague experience. It is critical to us that we are regularly listening and responding to feedback from our people. Employee engagement is measured each year through a survey administered by Ipsos Mori, an independent research company. They ensure the confidentiality of all
survey data. The survey helps management teams to understand what's working for employees and where we could seek to improve. Since initiating the survey in August 2010 we have conducted three survey cycles and have seen our employee engagement score increase by 7% over the period. We measure engagement in three areas in particular – alignment, involvement and loyalty to the business. Our highest positive score is colleagues agreeing that they are adhering to Travelex's ethical responsibilities and conduct, followed closely by being informed on Travelex and team results and performance. There was also a 15% uplift in colleagues feeling proud to work for Travelex driven by better communication, performance management and team working. Our core values are:

- Integrity, trust and honesty
- Passion for great customer service to create long term value
- A focus on results
- Belief in our people and commitment to their development
- Pride in Travelex

The Group is committed to employee involvement as it believes that its business objectives are best achieved if the Group's employees understand and support the Group's strategy. We have seen a 13% uplift in colleagues endorsing Travelex's strategy and direction which has been driven by regular communication. Employees are kept informed of business performance through briefing meetings, supplemented by monthly business updates and a range of other internal communications. Executives visiting business locations discuss matters of current interest with the local teams and hold open forum meetings, whereby local employees are invited to ask questions to management. The Group's financial performance is presented and explained to employees throughout the year.

The Group has established a European Works Council which comprises an employee representative of each European country in which the Group operates and members of senior management to represent the Group. The Council provides an additional information and consultation forum, helping to enhance communication with employees at a European level.

ii. Equal opportunities

The Group's policy is not to discriminate against anyone, on any grounds. Training is available and provided to all levels of staff, and investment in employee development is a priority. Within this policy, the Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group 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 Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

iii. Community involvement

As we operate through a wide global network we generally manage community activity at a local level supporting the communities we operate in. Globally, we provide charitable support to an elected charity each year; in 2011 we donated our Christmas fund to Unicef, who specifically work to help improve the lives of children in crises areas caused by famine, war and other natural disasters around the world. Travelex continues to support London's National Theatre through its Travelex £12 ticket Program which makes the theatre more widely accessible by selling tickets for certain productions at a subsidised price. The Travelex shows have played to an audience of nearly 2 million since inception in 2003. Example local community activities include the NVQs that we sponsor for our Peterborough colleagues and the Apprenticeship programme we run in Peterborough.
Travelex Holdings Limited
Directors' report
for the year ended 31 December 2011

As we are a business driven by entrepreneurial leaders we also look to promote entrepreneurs in the communities we work within. In London we offer annual placements to young British entrepreneurs through our support of the New Entrepreneurs Foundation.

iv. Payments to creditors

The Group's policy is to fix terms of payment for all suppliers when agreeing the terms of business transactions, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. The Group's trade creditors, which primarily represent amounts payable under contracts to supply foreign currency, are typically settled within 3 days (2010: 3 days) of purchase. The Company did not have any trade creditors at the end of the current or prior year.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;
- 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 and Group transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditors are unaware. In addition, the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
Travelex Holdings Limited
Directors’ report
for the year ended 31 December 2011

The Company has dispensed with the requirement to hold an Annual General Meeting and the Board will reappoint PricewaterhouseCoopers LLP as auditors during the course of the year.

By order of the Board

S M Pignet
Company Secretary
23 March 2012

Registered office
65 Kingsway
London
WC2B 6TD

Company registration number
5356574
Travelex Holdings Limited
Independent Auditors’ report
to the members of Travelex Holdings Limited
for the year ended 31 December 2011

We have audited the Group and Parent Company financial statements (the financial statements) of Travelex Holdings Limited for the year ended 31 December 2011 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated and Parent Company balance sheets, the Consolidated cashflow statement and the related notes. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors
As explained more fully in the Directors’ Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group’s and Parent Company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and consolidated financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion
In our opinion:

• the financial statements give a true and fair view of the state of the Group’s and Parent Company’s affairs as at 31 December 2011 and of the Group’s profit and cash flows for the year then ended;

• the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

• the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.
Travelex Holdings Limited
Independent Auditors' report

to the members of Travelex Holdings Limited
for the year ended 31 December 2011

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Darren Meek (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 March 2012
### Travelex Holdings Limited
### Consolidated income statement
### for the year ended 31 December 2011

<table>
<thead>
<tr>
<th>£m</th>
<th>2011 Before Exceptional items (Note 3)</th>
<th>2011 Total</th>
<th>2010 Before Exceptional items (Note 3)</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>2</td>
<td>554.8</td>
<td>-</td>
<td>554.8</td>
</tr>
<tr>
<td>Operating profit before depreciation, amortisation and impairment</td>
<td>2</td>
<td>40.6</td>
<td>240.9</td>
<td>281.5</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>5</td>
<td>24.1</td>
<td>232.8</td>
<td>256.9</td>
</tr>
<tr>
<td>Finance income</td>
<td>4</td>
<td>5.1</td>
<td>-</td>
<td>5.1</td>
</tr>
<tr>
<td>Finance costs</td>
<td>4</td>
<td>(167.5)</td>
<td>54.7</td>
<td>(112.8)</td>
</tr>
<tr>
<td>Share of profit in equity accounted investments</td>
<td>10</td>
<td></td>
<td>10.2</td>
<td>-</td>
</tr>
<tr>
<td>Profit (loss) before tax</td>
<td>5</td>
<td>(128.1)</td>
<td>287.5</td>
<td>159.4</td>
</tr>
<tr>
<td>Tax</td>
<td>7</td>
<td>5.9</td>
<td>(8.4)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Profit (loss) for the year from continuing operations</td>
<td></td>
<td>(122.2)</td>
<td>279.1</td>
<td>156.9</td>
</tr>
<tr>
<td><strong>Discontinued operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year from discontinued operations</td>
<td>23</td>
<td>36.4</td>
<td>-</td>
<td>36.4</td>
</tr>
<tr>
<td>Gain on sale of discontinued operations</td>
<td></td>
<td>-</td>
<td>184.3</td>
<td>184.3</td>
</tr>
<tr>
<td>Profit (loss) for the year</td>
<td></td>
<td>(85.8)</td>
<td>463.4</td>
<td>377.6</td>
</tr>
<tr>
<td><strong>Profit (loss) for the year attributable to</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>28</td>
<td>1.8</td>
<td>-</td>
<td>1.8</td>
</tr>
<tr>
<td>Equity holders of the parent</td>
<td></td>
<td>(87.6)</td>
<td>463.4</td>
<td>375.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>(85.8)</td>
<td>463.4</td>
<td>377.6</td>
</tr>
</tbody>
</table>

The notes form an integral part of these financial statements.
Travelex Holdings Limited  
Consolidated statement of comprehensive income  
for the year ended 31 December 2011

£m  
2011  2010
Exchange differences on overseas subsidiaries  2.7  (7.4)
Exchange differences recycled on disposal of business  10.1  -
Current tax on exchange differences  (0.4)  (1.6)
Net movement on cash flow hedges  5.5  5.1
Deferred tax on cash flow hedges  (2.4)  (1.4)
Movement on unrecognised gain on available for sale investments  0.3  (0.3)
Deferred tax on unrecognised gain on available for sale investments  (0.1)  0.1
Actuarial (loss) gain on post retirement benefit obligations  (0.8)  1.2
Movement on deferred tax relating to post retirement benefit obligations  0.2  (0.3)
  15.1  (4.6)
Profit (loss) for the year  377.6  (59.6)
Total comprehensive income for the year  392.7  (64.2)

Attributable to
Non controlling interests  1.8  0.5
Equity holders of the parent  390.9  (64.7)
Total comprehensive income for the year  392.7  (64.2)

Total comprehensive income attributable to equity shareholders arises from
Continuing operations  172.0  (84.4)
Discontinued operations  220.7  20.2
  392.7  (64.2)

Consolidated statement of changes in equity  
for the year ended 31 December 2011

£m  
Equity Non 2011 Equity Non 2010 Equity Non Total
interests controlling Total interests controlling Total
interests
At 1 January (866.0)  3.0  (863.0) (806.2)  1.8 (804.4)
Changes in equity -  -  -  -  0.7  0.7
Total comprehensive income for the year  390.9  1.8  392.7 (64.7)  0.5 (64.2)
Net investment in own shares (3.2)  -  (3.2)  -  -  -
Share based employee remuneration (2.4)  -  (2.4)  4.9  -  4.9
At 31 December (480.7)  4.8  (475.9) (866.0)  3.0 (863.0)

The notes form an integral part of these financial statements.

20
<table>
<thead>
<tr>
<th>£m</th>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8</td>
<td>269.8</td>
<td>598.1</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>9</td>
<td>44.9</td>
<td>43.1</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>10</td>
<td>75.4</td>
<td>73.6</td>
</tr>
<tr>
<td>Investments</td>
<td>13</td>
<td>140.5</td>
<td>152.6</td>
</tr>
<tr>
<td>Post retirement benefit asset</td>
<td>25</td>
<td>1.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>12</td>
<td>2.3</td>
<td>3.2</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>21</td>
<td>24.1</td>
<td>20.5</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>16</td>
<td>42.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Assets included in disposal group classified as held for sale</strong></td>
<td>24</td>
<td>11.4</td>
<td>70.1</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>11</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>12</td>
<td>115.7</td>
<td>58.2</td>
</tr>
<tr>
<td>Investments</td>
<td>13</td>
<td>18.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Available for sale investments</td>
<td>14</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Tax receivable</td>
<td></td>
<td>10.4</td>
<td>3.2</td>
</tr>
<tr>
<td>Derivative financial assets</td>
<td>19</td>
<td>17.4</td>
<td>50.3</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15</td>
<td>519.3</td>
<td>546.6</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>16</td>
<td>58.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td>741.6</td>
<td>677.5</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>17</td>
<td>(650.7)</td>
<td>(700.6)</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>18</td>
<td>(4.2)</td>
<td>(25.6)</td>
</tr>
<tr>
<td>Tax payable</td>
<td></td>
<td>(14.8)</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Provisions</td>
<td>20</td>
<td>(9.4)</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Derivative financial liabilities</td>
<td>19</td>
<td>(16.6)</td>
<td>(49.1)</td>
</tr>
<tr>
<td><strong>Net current assets (liabilities)</strong></td>
<td></td>
<td>45.9</td>
<td>(115.3)</td>
</tr>
<tr>
<td><strong>Non current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>17</td>
<td>(3.8)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>18</td>
<td>(1,120.0)</td>
<td>(1,664.2)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>21</td>
<td>(1.4)</td>
<td>(8.9)</td>
</tr>
<tr>
<td><strong>Non current liabilities</strong></td>
<td></td>
<td>(1,125.2)</td>
<td>(1,676.9)</td>
</tr>
<tr>
<td><strong>Liabilities included in disposal group classified as held for sale</strong></td>
<td>24</td>
<td>(8.8)</td>
<td>(35.6)</td>
</tr>
<tr>
<td><strong>Net liabilities</strong></td>
<td></td>
<td>(475.9)</td>
<td>(863.0)</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>27</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Share premium account</td>
<td>28</td>
<td>26.5</td>
<td>26.5</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>28</td>
<td>(502.6)</td>
<td>(875.1)</td>
</tr>
<tr>
<td>Translation reserve</td>
<td>28</td>
<td>(4.9)</td>
<td>(17.7)</td>
</tr>
<tr>
<td>Deficit attributable to equity holders of the parent</td>
<td></td>
<td>(480.7)</td>
<td>(866.0)</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>28</td>
<td>4.8</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Total equity deficit</strong></td>
<td></td>
<td>(475.9)</td>
<td>(863.0)</td>
</tr>
</tbody>
</table>

The notes form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 23 March 2012 and were signed on its behalf by:

J P Jackson
Director

M D Ball
Director
Travelex Holdings Limited
Consolidated cashflow statement
for the year ended 31 December 2011

<table>
<thead>
<tr>
<th>£m</th>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td></td>
<td>26</td>
<td>85.2</td>
</tr>
<tr>
<td>Other cash interest received</td>
<td></td>
<td></td>
<td>2.1</td>
</tr>
<tr>
<td>Taxation paid</td>
<td></td>
<td></td>
<td>(13.6)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>73.7</td>
<td>150.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Cash flows from investing activities | | | |
| Interest received | | | | 1.8 | 1.2 |
| Purchase of property, plant, equipment and software | | | (35.1) | (29.2) |
| Proceeds from sale of property, plant, equipment and software | | | 2.7 | 0.1 |
| Dividends received from joint venture | | | 8.4 | 6.2 |
| Net cash acquired with subsidiary undertakings | | | 3.8 | 2.4 |
| Proceeds on disposal of businesses net of costs | | | 775.1 | - |
| Net cash disposed of | | | (113.6) | - |
| Cash paid in advance for future acquisitions (including costs) | | | (54.8) | - |
| Cash paid on investment in subsidiaries | | | (3.7) | - |
| Cash paid on investment in joint venture (including costs) | | | (5.1) | - |
| | | | 579.5 | (19.3) |

| Cash flows from financing activities | | | |
| Interest paid | | | (39.4) | (40.7) |
| Cash inflows on interest rate swaps | | | - | 0.1 |
| Cash outflows on interest rate swaps | | | (4.8) | (11.9) |
| Repayment of borrowings | | | (630.0) | (11.0) |
| Net purchase of own shares for employee share schemes | | | (3.2) | - |
| Capital element of finance lease payments | | | (0.6) | (0.4) |
| Exchange gains (losses) on cash and cash equivalents and bank overdrafts | | | (678.0) | (63.9) |

| | | | | | |
| Net increase (decrease) in cash and cash equivalents and bank overdrafts | | | 0.8 | 3.9 |
| Cash, cash equivalents and bank overdrafts | | | (24.0) | 70.8 |
| Cash, cash equivalents and bank overdrafts at the beginning of the year | | | 542.9 | 472.1 |
| Cash, cash equivalents and bank overdrafts at the end of the year | | | 518.9 | 542.9 |

Comprising:

| | | | | |
| Cash and cash equivalents | | | 15 | 519.3 | 546.6 |
| Bank overdrafts | | | 18 | (3.7) | (8.1) |
| Bank overdrafts included in disposal group classified as held for sale | | | 24 | - | (0.3) |
| Cash and cash equivalents included in disposal group classified as held for sale | | | 24 | 3.3 | 4.7 |
| | | | 518.9 | 542.9 |

The notes form an integral part of these financial statements.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

1. Accounting policies

General information

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

Basis of preparation

The consolidated financial statements of the Company have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards and the Companies Act 2006 applicable to all companies reporting under IFRS. The functional and presentational currency of the Company is Sterling. The presentational currency of the Group is Sterling. The Group accounting policies dealing with material items are set out below.

The Group financial statements comprise the consolidated financial statements of the Company including its subsidiaries and joint ventures. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and in accordance with the provisions of the Companies Act 2006 applicable to all companies reporting under IFRS. IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. However, the differences have no material impact on the Group's consolidated financial statements for the years presented.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through voting rights. Equity accounting is applied for all associates and joint ventures. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Unrealised gains and losses on transactions between the Group and its subsidiaries are eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the acquired business, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition.

Changes in accounting policy

The Group has adopted the following revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2011:

Adoption of Improvements to IFRSs 2010 (Issued in May 2010) – The Improvements to IFRSs 2010 made several minor amendments to IFRSs. The only amendments relevant to the Group are the amendments to certain provisions of IFRS 3R and IAS 27. These amendments clarify the presentation of the reconciliation of each of the components of other comprehensive income and certain financial
1. Accounting policies (continued)

Instruments disclosure requirements. There has been no material impact on the consolidated financial statements resulting from the adoption of these amendments.

Accounting standards, interpretations and amendments to published standards issued but not yet effective and which have not been adopted early by the Group

At the date of signing of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued but are not yet effective and have not been early adopted by the Group. The Directors anticipate that the Group will adopt these standards, interpretations and amendments on their effective dates. Unless stated below the adoption of these standards, interpretations and amendments are not expected to have a significant impact on future financial statements;

IAS 19, ‘Employee benefits’ (effective from 1 January 2013). The amendment to IAS 19 will replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit or liability. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group.

IFRS 9 Financial Instruments (effective from 1 January 2015) – The IASB aims to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’ in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed. Management have yet to assess the impact that this standard is likely to have on the financial statements of the Group. However, they do not expect to implement the changes until all chapters of IFRS 9 have been published and they can comprehensively assess the impact.

IFRS 10 Consolidated Financial Statements (effective from 1 January 2013). IFRS 10, which replaces parts of IAS 27, ‘Consolidated and Separate Financial Statements and all of SIC-12, ‘Consolidation – Special Purpose Entities’, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The remainder of IAS 27, ‘Separate Financial Statements’, currently contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates only when an entity prepares separate financial statements and is therefore not applicable to the Group’s consolidated financial statements.

IFRS 11 Joint Arrangements (effective from 1 January 2013). IFRS 11, which replaces IAS 31, ‘Interests in Joint Ventures’ and SIC-13, ‘Jointly Controlled Entities – Non-monetary Contributions by Venturers’, requires a single method, known as the equity method, to account for interests in jointly controlled entities which is consistent with the accounting treatment currently applied to investments in associates. The proportionate consolidation method is prohibited. IAS 28, ‘Investments in Associates and Joint Ventures’, was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investment in associates, it sets out the requirements for the application of the equity method when accounting for joint ventures. This standard is not expected to have any impact on the Group’s financial statements.

IFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2013). IFRS 12 is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group.
1. Accounting policies (continued)

IFRS 13 Fair Value Measurement (effective from 1 January 2013). IFRS 13 provides guidance on how fair value should be applied where its use is already required or permitted by other standards within IFRS, including a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Group.

Disposal groups classified as held for sale

Disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than continuing use. Management must be committed to the sale at a realistic price which must be highly probable to be completed within twelve months of the balance sheet date and be available for immediate sale in its present condition.

All assets and liabilities are classified as held for sale and presented separately in the balance sheet if they are directly associated with a disposal group.

Disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. From the date of classification as held for sale, no depreciation or amortisation is charged on assets included within this classification.

Investments in joint ventures

Entities whose economic activities are controlled jointly by the Group and others are initially recorded at cost and subsequently accounted for under the equity method. The investment is initially recognised at cost using the acquisition method. Any goodwill or fair value adjustments attributable to the Group’s share in the entity are included in the carrying value of the investment.

All subsequent changes to the Group’s share of interest in the equity of the joint venture are recognised in the Group’s carrying amount of the investment. Changes resulting from the profit or loss generated by the joint venture are reported in the income statement.

When the Group’s share of losses in an equity accounted investment exceeds its interest in the joint venture, the Group does not recognise further losses, unless obliged to make good these losses on behalf of the entity. If the entity subsequently reports profits, the Group resumes the recognition of its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the Group and joint ventures are eliminated to the extent of the Group’s interest in the entity. Amounts reported in the financial statements of the joint ventures have been reviewed to ensure consistency with the accounting policies of the Group.

However, a loss is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Income recognition

Given the nature of the Group’s business, earning fees, commissions and currency margins on its products provided to customers and currency hedging activities, the Directors believe income to be a more meaningful term than revenue. The key components of income are described below:
1. Accounting policies (continued)

i. Currency Services

Foreign currency income is the difference between the cost and selling price of currency (foreign currency margin) and the revaluation of open foreign exchange positions to market value, together with commissions on the sale and purchase of currencies. Margin and commission income is recognised as earned when the transaction is made.

Income earned through ATM transactions comprises commission based fees on customers making ATM transactions and interchange fees and is recognised as earned when the transaction is made.

Income relating to outsourced travel money services for banknotes and wholesale banknote fulfilment consists of margin, commission and fees charged on the fulfilment of currency orders, net of rebates. Income is recognised when the transaction is made.

Income from the sale of insurance policies is recognised at the time of sale of the insurance policy and represents the commission earned on the sale of the policy.

ii. Card Program Management

Income from Cash Passport cards primarily consists of the foreign exchange margin and associated fees which are recognised on sale or encashment, combined with the interest earned on the investment of funds generated from Cash Passport sales for the period from original issue to their encashment, which is recognised in the period to which it relates.

iii. Global Business Payments

Income is the currency margin on transactions undertaken in the period at the rates prevailing on the transaction date as adjusted through the revaluation of foreign exchange positions to market value, plus any commissions charged. In addition, income includes the interest earned on the investment of funds generated from the receipt of customer monies that have yet to be paid away, which is recognised in the period to which it relates.

iv. Non core operations

Income from travellers' cheques consists of income from investment activities, which is derived from the interest earned on the investment of funds generated from the issue of travellers' cheques for the period from their original issue to the date of their encashment. This is recognised in the period to which it relates. Commissions and fees are recognised when earned.

Cost of sales

Cost of sales comprises direct selling costs including direct salaries, shop rental costs and incentive commissions and are recognised as incurred.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a clearer understanding of the Group's financial performance.
1. Accounting policies (continued)

Intangible assets

Goodwill

The excess of the fair value at the date of acquisition of the cost of investments in subsidiaries over the fair value of net assets acquired which is not otherwise allocated to individual assets and liabilities is determined to be goodwill. Goodwill is initially measured at cost, and is reviewed at least annually for impairment. The goodwill recognised before the transition to IFRS was accounted for under UK GAAP. Any impairment is recognised immediately in the Group’s income statement and is not subsequently reversed.

Other intangible assets

Computer software comprises off the shelf packages, modified to meet the Group’s requirements, software developed in house and software purchased as part of business combinations. Internal and external costs are capitalised to the extent that they are directly attributable to the development of modified software provided they meet the recognition criteria under IFRS. Capitalised costs are amortised on a straight line basis over their estimated useful lives.

Customer relationships represent the cost incurred when acquiring major outsourcing agreements and relationships recognised on business combinations, which are being amortised on a straight line basis over the term or expected term of the relationships. Trade names and other intangible assets, which comprise non compete agreements and lease rights at retail locations, are measured at cost and amortised over their expected useful lives.

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

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortisation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer software</td>
<td>10% - 33% per annum</td>
</tr>
<tr>
<td>Customer relationships</td>
<td>10% per annum</td>
</tr>
<tr>
<td>Other</td>
<td>12.5% - 50% per annum</td>
</tr>
</tbody>
</table>

Property, plant and equipment

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

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

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land</td>
<td>Nil</td>
</tr>
<tr>
<td>Freehold and long leasehold property</td>
<td>2% per annum or over the lease term if shorter</td>
</tr>
<tr>
<td>Short leasehold property</td>
<td>10 - 20% per annum or over the lease term if shorter</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>10 - 50% per annum</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>33.3% per annum</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>25% per annum</td>
</tr>
</tbody>
</table>

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some at a cash generating unit level. Goodwill is allocated to those cash generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

1. Accounting policies (continued)

Cash generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash generating units are tested for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash generating unit’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use. In order to calculate value in use, the Group estimates the discounted present value of future cashflows over a three year period, plus terminal value. The data used for the Group’s impairment testing procedures are directly linked to the Group’s latest approved budget.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised should be reversed.

The Group also assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and defaults in payment are considered an indication that the receivable is impaired. The carrying amount of the asset is reduced and the amount of the provision is recognised in the income statement.

Income taxes

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

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is, however, neither provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. This provision is not discounted. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income.

Management bases its assessment of the probability of future taxable income on the Group’s latest approved forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The specific tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset that deferred tax asset is 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.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

1. Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of
the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet
date are translated at the rates ruling at that date. Translation differences on long term monetary assets
funding overseas subsidiaries are taken to the translation reserve. Assets and liabilities of overseas
subsidiaries are translated at the closing exchange rate. Income and expenditure of these subsidiaries
are translated at the average rates of exchange during the year. Exchange differences arising from this
translation of foreign operations are taken directly to the translation reserve. They are released into the
income statement upon disposal or partial disposal of the foreign operation. All other exchange gains
and losses, which arise from normal trading activities, are included in the income statement as incurred.

Cash and cash equivalents

Cash and cash equivalents includes all notes and coins held in tills and vaults, in transit and in
distribution centres, bank accounts and term deposits which comprise deposits with financial institutions
with an original maturity of less than three months.

Travellers’ cheques, investments and structured deposits

Investments include travellers’ cheque float and structured deposits which relate to monies received in
advance on issuance of travellers’ cheques. These are restricted to use within the travellers cheques
business. These monies received in advance are placed in a series of structured deposits with financial
institutions and these are discounted to net present value.

A liability is recorded at fair value for all travellers’ cheques issued but not encashed. The liability is
denominated in the currency of the cheque and translated at the balance sheet date. The travellers’ cheques
are payable on demand and hence shown within trade payables due within one year.

As a consequence of the difference in accounting treatment the liability exceeds the value of the associated
asset.

Derivative financial instruments

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

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair
value is recognised immediately in the income statement. However, where derivatives qualify for hedge
accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

A derivative financial instrument that meets the criteria for hedge accounting in accordance with
documented hedging policies may be designated as a hedge. Where a derivative financial instrument is
designated as a hedge of the variability in cash flows of a recognised asset or liability, the effective part
of any gain or loss on the derivative financial instrument is recognised directly in equity. This gain or loss
is then recycled from the hedging reserve to the income statement in line with the recognition of cash
flows on the hedged items. Any ineffective portion of the hedge is recognised immediately in the income
statement.
1. Accounting policies (continued)

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged transaction remains in place, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Classification of non-derivative financial assets and liabilities

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. They are measured at fair value on initial recognition. Gains and losses arising from subsequent measurement are recognised directly in equity. When an investment is disposed of or is determined to be impaired, any cumulative gain or loss previously recognised in equity is transferred to the income statement. The fair value of available for sale financial assets is determined by reference to a valuation technique. In the case of equity securities classified as available for sale financial assets, a significant or prolonged decline in the fair value of the securities below their cost is considered to be an indicator that the securities are impaired.

Loans and receivables are non-derivative unquoted financial assets with fixed and determinable payments. Loans and receivables are measured at amortised cost using the effective interest rate method.

All non-derivative financial liabilities are designated as other financial liabilities. These are initially recorded at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

Loans

Loans are recognised initially in the balance sheet at fair value less attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings calculated using the effective interest rate method. The effective interest rate is the rate that discounts the estimated future cash payments over the expected life of the loans to the net carrying amount of the loans.

Where there are changes to the Group's estimation of the future cash flows attributable to loans and receivables and other financial liabilities, the new estimated cash flows are discounted at the original effective interest rate established at the time the assets or liabilities were initially recorded, with any resulting gain or loss taken to the income statement.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity, forming part of shareholders' funds, only to the extent that they meet the following two conditions:

i. They include no contractual obligations upon the Company, or Group as the case may be, to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company or Group; and

ii. Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or it is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.
Travelex Holdings Limited
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1. Accounting policies (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for share capital and share premium exclude amounts in relation to those shares.

Arrangement and related fees associated with financial liabilities are dealt with as part of finance costs. Arrangement and related fees associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Under IFRS 7, financial instruments are measured at fair value based on a three level hierarchy that reflects the significance of the inputs in the fair value measurements. The fair value hierarchy is as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly
Level 3 – Inputs that are not based upon observable market data

Employee benefits

Contributions to the Group's defined contribution pension schemes are charged to the income statement as incurred.

The Group operates a defined benefit pension scheme in the Netherlands. A full independent actuarial valuation is carried out on a triennial basis and updated to each balance sheet date. The assets of the scheme are held separately from those of the Group. Scheme assets are measured at fair value using the bid price. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates that have terms to maturity approximating to the terms of the related liability. Any past or current service costs are recognised within the income statement. The net of the interest cost on the scheme’s liabilities, and the Group’s expected return on the scheme’s assets, are included in the income statement as finance costs.

Actuarial gains and losses are recognised immediately through the statement of comprehensive income. The net surplus or deficit is presented within other assets or liabilities on the balance sheet. The related deferred tax is shown within other deferred tax balances. A surplus is recognised only to the extent that it is recoverable by the Group.

Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up front at the date of inception of the lease. Leases of land and buildings are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is initially recognised.

Subsequent accounting for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.
Travelex Holdings Limited
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1. Accounting policies (continued)

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight line basis. Associated costs, such as maintenance and insurance, are expensed as incurred.

Provisions and contingent liabilities

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Long term provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of management.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Share based employee remuneration

During the period the Group changed the settlement practice for its share based payment scheme from equity settled to cash settled, without any change to the vesting conditions. The fair value of the equity settled awards at the date of the change was transferred out of equity and recognised as a liability. The fair value of the ongoing liability from the scheme is calculated at the balance sheet date based on the fair value of shares at that time and any changes in vesting, exercise and other factors. Any change in the calculated liability is recognised in the income statement.

Unallocated or repurchased shares held by the employee share trust are included within retained earnings.
1. Accounting policies (continued)

Significant management estimates and judgements in applying accounting policies

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Due to inherent uncertainty involved in making estimates and assumptions, actual outcomes could differ from those assumptions and estimates. The critical judgements that have been made in arriving at the amounts recognised in the Group’s financial statements and the key sources of estimation and uncertainty that have a significant risk of causing material adjustment to the carrying values of assets and liabilities within the next financial year are as follows:

Impairment of goodwill

An impairment loss is recognised for the amount by which the asset’s or cash generating unit’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the cost of sale or value in use. In order to calculate value in use, the Group estimates the discounted present value of future cashflows over a three year period, plus terminal value. In the process of measuring fair value management makes assumptions about future profits. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group’s assets within the next financial year. The Group’s impairment result is disclosed in note 8.

Loans

The legal maturity dates of the Group’s loan facilities range from 2015 to 2035. On drawdown, and at each reporting date thereafter, the Directors are required to estimate the expected life of the loans. They have considered the range of potential future financing structures available to the Group and selected nine years with a maturity in October 2014 (2010: October 2012). The reassessment of the maturity date has resulted in an exceptional credit of £56.0m.

Provisions

Provisions have been made relating to employee benefits and onerous contracts. These provisions are estimates and the actual costs and timing of future cash flows are dependant on future events. Any difference between expectations and the actual future liability will be accounted for when such determination is made.

Income taxes

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group’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 Group 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 20.

Going concern assessment

The Directors assess the Group’s going concern for a period of at least 18 months from the balance sheet date and take into account the facts and circumstances during that period.
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1. Accounting policies (continued)

In making this assessment the Directors consider:
- Whether there is sufficient liquidity and financing to support the business in corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued availability of financing facilities and trading lines;
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Group 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 Group has adequate resources to continue in operational existence for the foreseeable future. The Group has therefore prepared these financial statements on a going concern basis.

Deferred taxation

Deferred tax 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 Group's assets within the next financial year.

Employee share based remuneration

The share based remuneration scheme was previously equity settled. Awards to employees and others providing similar services are measured at the fair value of the award at the date of grant. In the process of measuring fair value management makes assumptions about future performance and value of the business, and discount rates.

The settlement method of the scheme was changed from equity to cash following the cash settlement of some of the M Shares during the year. The Directors estimated the fair value of the scheme at the point of transfer based on the period which has already vested and this amount was recognised as a liability at the date of change of settlement method. Subsequently the fair value of the liability is reassessed based on the expected vesting period, projected performance and value of the business and other factors. Any change in the fair value at the end of the period is reflected in the income statement.
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2. Segmental reporting

Segmental information has been prepared in accordance with IFRS 8 'Operating Segments'. The information disclosed is based on that used by the Executive Committee (the Group’s Chief Operating Decision Maker) and the Board to allocate resources and assess the performance of the business: Currency Services; Card Program Management and Non core operations. Non core operations consist of the travellers’ cheques business. Other includes shared and Group functions.

The information previously reported to the Executive Committee was based on four business segments: Currency Services, Global Business Payments, Card & Mobile Payments and Non core operations. Following the sale of the Card Program Management business in April 2011, Currency Select and cash fulfilment services provided to prepaid card customers were reassigned from Card & Mobile Payments to the Currency Services segment. The Card Program Management business in the segmental analysis below represents the business that was sold to MasterCard Incorporated in 2011. The Global Business Payments segment is treated as discontinued in 2011. The comparatives have been restated accordingly.

Transactions between segments are undertaken on mutually agreed terms.

Results of operating segments as internally reported

<table>
<thead>
<tr>
<th>£m</th>
<th>Currency Services</th>
<th>Card Program Management</th>
<th>Non core operations</th>
<th>Other</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>579.7</td>
<td>14.1</td>
<td>8.1</td>
<td>-</td>
<td>601.9</td>
</tr>
<tr>
<td>Rental costs</td>
<td>(191.2)</td>
<td>(0.4)</td>
<td>-</td>
<td>(3.9)</td>
<td>(195.5)</td>
</tr>
<tr>
<td>Payroll costs</td>
<td>(151.4)</td>
<td>(4.2)</td>
<td>(0.6)</td>
<td>(20.0)</td>
<td>(176.2)</td>
</tr>
<tr>
<td>Other costs</td>
<td>(131.0)</td>
<td>(8.3)</td>
<td>(2.9)</td>
<td>(16.8)</td>
<td>(159.0)</td>
</tr>
<tr>
<td>EBITDA from continuing operations</td>
<td>106.1</td>
<td>1.2</td>
<td>4.6</td>
<td>(40.7)</td>
<td>71.2</td>
</tr>
<tr>
<td>EBITDA from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>43.6</td>
</tr>
<tr>
<td>Total EBITDA</td>
<td>106.1</td>
<td>1.2</td>
<td>4.6</td>
<td>2.9</td>
<td>114.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£m</th>
<th>Currency Services</th>
<th>Card Program Management</th>
<th>Non core operations</th>
<th>Other</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>540.0</td>
<td>49.2</td>
<td>9.0</td>
<td>-</td>
<td>598.2</td>
</tr>
<tr>
<td>Rental costs</td>
<td>(172.2)</td>
<td>(0.9)</td>
<td>-</td>
<td>(4.1)</td>
<td>(177.2)</td>
</tr>
<tr>
<td>Payroll costs</td>
<td>(138.8)</td>
<td>(10.4)</td>
<td>(0.7)</td>
<td>(20.1)</td>
<td>(169.8)</td>
</tr>
<tr>
<td>Other costs</td>
<td>(123.2)</td>
<td>(24.9)</td>
<td>(4.5)</td>
<td>(9.3)</td>
<td>(161.9)</td>
</tr>
<tr>
<td>EBITDA from continuing operations</td>
<td>106.0</td>
<td>13.0</td>
<td>3.8</td>
<td>(33.5)</td>
<td>89.3</td>
</tr>
<tr>
<td>EBITDA from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41.3</td>
<td>41.3</td>
</tr>
<tr>
<td>Total EBITDA</td>
<td>106.0</td>
<td>13.0</td>
<td>3.8</td>
<td>7.8</td>
<td>130.6</td>
</tr>
</tbody>
</table>

EBITDA is defined as earnings before finance costs, tax, depreciation, amortisation and exceptional items.

Other represents the costs of the Group functions which are managed separately from the operating segments and are not reallocated for management reporting purposes.
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2. Segmental reporting (continued)

Included within income is interest earned on bank deposits and money market instruments on the investment of funds generated from travellers' cheques sales and Cash Passport sales. This is analysed by segment as follows: Card Program Management £0.4m (2010: £1.4m) and non core operations £8.1m (2010: £9.0m).

Included under the 'adjustments' heading in the tables below are some Group investments, which under IFRS are accounted for as joint ventures. For internal reporting purposes these investments are fully consolidated into the results of the Group. All other measurement policies used in internal reporting are consistent with those used in preparing these financial statements. In addition, the adjustments include £10.8m of charges (2010: £9.8m) which are considered exceptional for management purposes.

Reconciliation of internally reported EBITDA to operating profit under IFRS:

<table>
<thead>
<tr>
<th>£m</th>
<th>Internally reported</th>
<th>Adjustments</th>
<th>2011 Financial statements</th>
<th>Internally reported</th>
<th>Adjustments</th>
<th>2010 Financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>601.9</td>
<td>(47.1)</td>
<td>554.8</td>
<td>598.2</td>
<td>(44.1)</td>
<td>554.1</td>
</tr>
<tr>
<td>Rental costs</td>
<td>(195.5)</td>
<td>6.6</td>
<td>(188.9)</td>
<td>(177.2)</td>
<td>3.5</td>
<td>(173.7)</td>
</tr>
<tr>
<td>Payroll costs</td>
<td>(176.2)</td>
<td>(0.5)</td>
<td>(176.7)</td>
<td>(169.8)</td>
<td>(2.1)</td>
<td>(171.9)</td>
</tr>
<tr>
<td>Other costs</td>
<td>(159.0)</td>
<td>2.8</td>
<td>(156.2)</td>
<td>(161.9)</td>
<td>9.8</td>
<td>(152.1)</td>
</tr>
<tr>
<td>Gain on disposal</td>
<td>-</td>
<td>248.5</td>
<td>248.5</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

EBITDA / Operating profit from continuing operations* 71.2 210.3 281.5 89.3 (32.9) 56.4

EBITDA / Operating profit from discontinued operations* 43.6 186.3 229.9 41.3 (3.6) 37.7

114.8 396.6 511.4 130.6 (36.5) 94.1

* Operating profit before depreciation, amortisation and impairment

Financial position of operating segments as internally reported

<table>
<thead>
<tr>
<th>£m</th>
<th>Currency Services</th>
<th>Card Program Management</th>
<th>Non core operations</th>
<th>Other</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>355.2</td>
<td>0.2</td>
<td>0.4</td>
<td>3.0</td>
<td>358.8</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>40.7</td>
<td>-</td>
<td>-</td>
<td>8.8</td>
<td>49.5</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Other assets</td>
<td>84.7</td>
<td>26.4</td>
<td>4.6</td>
<td>118.0</td>
<td>233.7</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>149.2</td>
<td>10.9</td>
<td>160.1</td>
<td>160.1</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>210.0</td>
<td>6.6</td>
<td>65.7</td>
<td>306.9</td>
<td>589.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>691.1</td>
<td>33.2</td>
<td>219.9</td>
<td>447.6</td>
<td>1,391.8</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(159.1)</td>
<td>(33.2)</td>
<td>(328.7)</td>
<td>(1,312.1)</td>
<td>(1,833.1)</td>
</tr>
<tr>
<td>Net assets (liabilities)</td>
<td>532.0</td>
<td>-</td>
<td>(108.8)</td>
<td>(864.5)</td>
<td>(441.3)</td>
</tr>
<tr>
<td>Non current asset additions</td>
<td>16.7</td>
<td>0.1</td>
<td>-</td>
<td>10.6</td>
<td>27.4</td>
</tr>
</tbody>
</table>
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2. Segmental reporting (continued)

The financial position for 2010 includes the Global Business Payments segment which was sold during 2011.

<table>
<thead>
<tr>
<th>£m</th>
<th>Currency Services</th>
<th>Global Business Payments</th>
<th>Card Program Management</th>
<th>Non core operations</th>
<th>Other</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>336.2</td>
<td>346.4</td>
<td>28.7</td>
<td>1.0</td>
<td>1.0</td>
<td>713.3</td>
</tr>
<tr>
<td>Property, plant and equipment investments accounted for using the equity method</td>
<td>35.0</td>
<td>4.7</td>
<td>1.7</td>
<td>-</td>
<td>5.4</td>
<td>46.8</td>
</tr>
<tr>
<td>Other assets</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Investments</td>
<td>69.1</td>
<td>53.6</td>
<td>11.1</td>
<td>7.0</td>
<td>3.6</td>
<td>144.4</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>0.1</td>
<td>-</td>
<td>0.9</td>
<td>159.3</td>
<td>9.7</td>
<td>170.0</td>
</tr>
<tr>
<td>Total assets</td>
<td>569.0</td>
<td>535.0</td>
<td>134.3</td>
<td>249.0</td>
<td>158.7</td>
<td>1,646.0</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(141.8)</td>
<td>(168.1)</td>
<td>(107.0)</td>
<td>(374.5)</td>
<td>(1,724.1)</td>
<td>(2,515.5)</td>
</tr>
<tr>
<td>Net assets (liabilities)</td>
<td>427.2</td>
<td>366.9</td>
<td>27.3</td>
<td>(125.5)</td>
<td>(1,565.4)</td>
<td>(869.5)</td>
</tr>
<tr>
<td>Non current asset additions</td>
<td>10.1</td>
<td>7.5</td>
<td>7.1</td>
<td>-</td>
<td>4.5</td>
<td>29.2</td>
</tr>
</tbody>
</table>

Reconciliation of financial position reported to the Executive Committee to the position reported under IFRS:

<table>
<thead>
<tr>
<th>£m</th>
<th>Internally Reported</th>
<th>Adjustments</th>
<th>2011 Statutory accounts</th>
<th>Internally Reported</th>
<th>Adjustments</th>
<th>2010 Statutory accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>358.8</td>
<td>(89.0)</td>
<td>269.8</td>
<td>713.3</td>
<td>(115.2)</td>
<td>598.1</td>
</tr>
<tr>
<td>Property, plant and equipment investments accounted for using the equity method</td>
<td>49.5</td>
<td>(4.6)</td>
<td>44.9</td>
<td>46.8</td>
<td>(3.7)</td>
<td>43.1</td>
</tr>
<tr>
<td>Other assets</td>
<td>233.7</td>
<td>(60.0)</td>
<td>173.7</td>
<td>75.4</td>
<td>0.1</td>
<td>73.5</td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>0.5</td>
<td>74.9</td>
<td>75.4</td>
<td>0.1</td>
<td>73.5</td>
<td>73.6</td>
</tr>
<tr>
<td>Investments</td>
<td>233.7</td>
<td>(60.0)</td>
<td>173.7</td>
<td>144.4</td>
<td>(3.6)</td>
<td>140.8</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>589.2</td>
<td>(69.9)</td>
<td>519.3</td>
<td>571.4</td>
<td>(24.8)</td>
<td>546.6</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>-</td>
<td>100.5</td>
<td>100.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,391.8</td>
<td>(38.0)</td>
<td>1,353.8</td>
<td>1,646.0</td>
<td>(3.7)</td>
<td>1,642.3</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(1,833.1)</td>
<td>12.2</td>
<td>(1,820.9)</td>
<td>(2,515.5)</td>
<td>45.8</td>
<td>(2,469.7)</td>
</tr>
<tr>
<td>Liabilities classified as held for sale</td>
<td>-</td>
<td>(8.8)</td>
<td>(8.8)</td>
<td>-</td>
<td>(35.6)</td>
<td>(35.6)</td>
</tr>
<tr>
<td>Net liabilities</td>
<td>(441.3)</td>
<td>(34.6)</td>
<td>(475.9)</td>
<td>(869.5)</td>
<td>6.5</td>
<td>(863.0)</td>
</tr>
</tbody>
</table>
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2. Segmental reporting (continued)

By geography

Group wide geographical analysis of income as internally reported is based on the region in which a transaction is initiated. This analysis would not be materially different if performed based on the geographical destination of the transaction.

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>179.9</td>
<td>189.4</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>101.7</td>
<td>95.7</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>166.5</td>
<td>168.0</td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>153.8</td>
<td>145.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>601.9</td>
<td>598.2</td>
<td></td>
</tr>
</tbody>
</table>

The net book value of non current assets, comprising intangible assets and property, plant and equipment is as follows:

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>136.2</td>
<td>246.5</td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>51.1</td>
<td>197.8</td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>54.5</td>
<td>109.5</td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>72.9</td>
<td>87.4</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>314.7</td>
<td>641.2</td>
<td></td>
</tr>
</tbody>
</table>

3. Exceptional items

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Net operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sale of Card Program Management business</td>
<td>248.5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Impairment of equity accounted investments and goodwill</td>
<td>(8.1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Corporate transaction costs</td>
<td>(7.6)</td>
<td>(5.4)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>232.8</td>
<td>(5.4)</td>
<td></td>
</tr>
</tbody>
</table>

Finance income (costs)

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Gains on extension of estimated life of term loans</td>
<td>58.0</td>
<td>25.8</td>
<td></td>
</tr>
<tr>
<td>Exchange losses on intercompany loans</td>
<td>(1.3)</td>
<td>(8.6)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>54.7</td>
<td>17.2</td>
<td></td>
</tr>
</tbody>
</table>

Tax attributable to exceptional items

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>(8.4)</td>
<td>3.0</td>
<td></td>
</tr>
</tbody>
</table>

Discontinued operations

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Gain on sale of Global Business Payments business</td>
<td>187.1</td>
<td>-</td>
</tr>
<tr>
<td>Tax attributable to gain on sale of Global Business Payments business</td>
<td>(2.8)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>184.3</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>463.4</td>
<td>14.8</td>
</tr>
</tbody>
</table>
3. Exceptional Items (continued)

£4.2m of the impairment relates to FX Africa Foreign Exchange (Proprietary) Limited of which £2.9m relates to goodwill on acquisition (see Note 22) and the remainder represents the impairment of net assets at 31 December 2011. The remaining £3.9m of the impairment relates to goodwill on the acquisition of South American Card Services (SACS) (see Note 22).

The profits on the disposal of the Card Program Management and Global Business Payments businesses are shown net of transaction costs. Other transaction costs of £7.6m relate primarily to the acquisition of FX Africa and Grupo Confidence and the disposal of the Asia Travel business. Transaction costs of £5.4m in 2010 were primarily related to the sale of the Card Program Management business.

The Directors are required to estimate the expected life of the loans and, having considered a range of potential future financing structures available to the Group, selected October 2014 (2010: October 2012). The reassessment of the maturity date has resulted in an exceptional credit of £56.0m in the year (2010: £25.8m).

An exceptional debit of £1.3m (2010: £8.6m), was booked arising on the retranslation of Group debt, which is financing overseas subsidiaries and where it is held in the non functional currency of a reporting entity. The Group economically hedges the debt with structural intercompany loans. Under IFRS the exchange differences arising on the retranslation of the structural intercompany loans are posted directly to equity.

4. Finance income and costs

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>1.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Interest receivable on interest rate swaps</td>
<td>3.3</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5.1</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td>(0.3)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Term loans</td>
<td>(89.1)</td>
<td>(111.6)</td>
</tr>
<tr>
<td>Interest payable on interest rate swaps</td>
<td>(0.8)</td>
<td>(13.3)</td>
</tr>
<tr>
<td>Finance costs on preference shares classified as liabilities</td>
<td>(11.3)</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Expected return on pension scheme assets</td>
<td>1.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Interest cost on pension scheme liabilities</td>
<td>(2.6)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Other finance costs</td>
<td>(5.8)</td>
<td>(2.3)</td>
</tr>
<tr>
<td><strong>Net exchange losses</strong></td>
<td>(4.6)</td>
<td>(8.2)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(112.8)</td>
<td>(146.6)</td>
</tr>
</tbody>
</table>

In accordance with the Group’s accounting policy, £8.6m (2010: £11.5m) of interest receivable on bank deposits and money market instruments on the investment of funds generated from travellers’ cheque sales and Cash Passport sales is classified and disclosed within income.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

5. Profit (loss) before tax

Operating profit for the continuing business is analysed as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>554.8</td>
<td>554.1</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(334.7)</td>
<td>(334.0)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>220.1</td>
<td>220.1</td>
</tr>
<tr>
<td>Net operating expense</td>
<td>(187.1)</td>
<td>(163.7)</td>
</tr>
<tr>
<td>Gain on sale of Card Program Management business</td>
<td>248.5</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit before depreciation, amortisation and impairment</td>
<td>281.5</td>
<td>56.4</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(16.5)</td>
<td>(19.6)</td>
</tr>
<tr>
<td>Impairment of equity accounted investments and goodwill</td>
<td>(8.1)</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit</td>
<td>256.9</td>
<td>36.8</td>
</tr>
</tbody>
</table>

Profit (loss) before tax is stated after charging (crediting):

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of owned property, plant and equipment</td>
<td>10.8</td>
<td>11.7</td>
</tr>
<tr>
<td>Net loss on disposal of property, plant and equipment</td>
<td>0.7</td>
<td>0.2</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>5.7</td>
<td>7.9</td>
</tr>
<tr>
<td>Impairment of equity accounted investments and goodwill</td>
<td>8.1</td>
<td>-</td>
</tr>
<tr>
<td>Hire of machinery and equipment</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Minimum operating lease payments</td>
<td>118.4</td>
<td>109.6</td>
</tr>
<tr>
<td>Contingent operating lease payments</td>
<td>55.8</td>
<td>45.5</td>
</tr>
</tbody>
</table>
| Auditors remuneration:
  Audit fee in respect of Company and Group financial statements | 0.2 | 0.2 |
  Audit fee in respect of subsidiary financial statements pursuant to legislation | 2.3 | 2.0 |
  Other fees relating to taxation                      | 0.6  | 0.2  |
  All other services                                   | 1.4  | 1.4  |

6. Employees and Directors

<table>
<thead>
<tr>
<th>Average number</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency Services</td>
<td>5,678</td>
<td>5,251</td>
</tr>
<tr>
<td>Card Program Management</td>
<td>119</td>
<td>465</td>
</tr>
<tr>
<td>Non core operations</td>
<td>201</td>
<td>153</td>
</tr>
<tr>
<td>Other</td>
<td>105</td>
<td>94</td>
</tr>
<tr>
<td>Continuing operations</td>
<td>6,103</td>
<td>5,963</td>
</tr>
<tr>
<td>Discontinued operations - Global Business Payments</td>
<td>919</td>
<td>1,135</td>
</tr>
<tr>
<td></td>
<td>7,022</td>
<td>7,098</td>
</tr>
</tbody>
</table>
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

6. Employees and directors (continued)

Employee costs

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>147.8</td>
<td>148.6</td>
</tr>
<tr>
<td>Share based employee remuneration</td>
<td>7.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Social security costs</td>
<td>16.3</td>
<td>15.7</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>5.6</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>176.7</strong></td>
<td><strong>174.6</strong></td>
</tr>
</tbody>
</table>

Directors' remuneration

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate emoluments</td>
<td>3.6</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Three Directors have benefits accruing under defined contribution pension arrangements (2010: one). The emoluments of the highest paid Director were £2,568,869 (2010: £1,580,000) and the Company made contributions to the highest paid Director’s pension arrangements of £47,500 (2010: £nil).

Cash settled share based payments

The M ordinary shares allow shareholders to receive one ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital.

These shares are held in beneficial ownership in Trust. They are expected to vest in October 2014 (2010: July 2013) at which date the Directors estimate that the shares will realise value. The shares have been valued using the discounted cash flow model using a long term growth rate assumption of 2% and debt discount rate.

The payments made to M shareholders leaving the business during the year are deemed to show the intention to cash settle the M shares, therefore the remaining obligation has been recorded as a liability on the balance sheet. This is a change from the prior year. The Directors estimate the fair value of the remaining shares to be £28.2m (2010: £35.4m). Accordingly, there is a charge of £7.0m and a liability of £9.4m recognised in the current year.

The Group has no legal obligation to repurchase these shares.
7. Income tax charge

The relationship between the expected tax charge (credit) based on the domestic effective tax rate of the Group at 26.5% (2010: 28.0%) and the reported tax charge (credit) in profit or loss can be reconciled as follows, also showing major components of the tax charge (credit):

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit (loss) before tax</td>
<td>159.4</td>
<td>(96.5)</td>
<td></td>
</tr>
<tr>
<td>Less share of profit in equity accounted investments</td>
<td>(10.2)</td>
<td>(10.2)</td>
<td></td>
</tr>
<tr>
<td>Continuing profit (loss) before tax</td>
<td>149.2</td>
<td>(106.7)</td>
<td></td>
</tr>
<tr>
<td>Domestic tax rate for the Group</td>
<td>26.5%</td>
<td>28.0%</td>
<td></td>
</tr>
<tr>
<td>Expected tax charge (credit)</td>
<td>39.5</td>
<td>(29.9)</td>
<td></td>
</tr>
<tr>
<td>Tax losses not recognised (prior year tax losses recognised)</td>
<td>1.3</td>
<td>(2.1)</td>
<td></td>
</tr>
<tr>
<td>Other adjustments in respect of prior periods</td>
<td>(5.9)</td>
<td>(10.5)</td>
<td></td>
</tr>
<tr>
<td>UK tax rate change on opening balances</td>
<td>1.0</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Adjustments for tax rate differences in foreign jurisdictions</td>
<td>3.6</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Adjustments for non deductible expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-deductible finance costs</td>
<td>14.5</td>
<td>18.5</td>
<td></td>
</tr>
<tr>
<td>Impairment of equity accounted investments and goodwill</td>
<td>2.1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other non deductible expenses</td>
<td>4.2</td>
<td>6.4</td>
<td></td>
</tr>
<tr>
<td>Profit on disposal of businesses</td>
<td>(57.8)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net actual tax charge (credit) on continuing operations</strong></td>
<td>2.5</td>
<td>(16.7)</td>
<td></td>
</tr>
</tbody>
</table>

Tax charge (credit) comprises:

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax charge (credit)</td>
<td>3.8</td>
<td>(14.1)</td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of temporary differences</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax losses</td>
<td>0.5</td>
<td>(2.9)</td>
<td></td>
</tr>
<tr>
<td>Other temporary differences</td>
<td>(1.8)</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td><strong>Net tax charge (credit)</strong></td>
<td>2.5</td>
<td>(16.7)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax credit on ordinary activities</strong></td>
<td>(5.9)</td>
<td>(13.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Tax charge (credit) on exceptional items</strong></td>
<td>8.4</td>
<td>(3.0)</td>
<td></td>
</tr>
<tr>
<td><strong>Total tax charge (credit)</strong></td>
<td>2.5</td>
<td>(16.7)</td>
<td></td>
</tr>
</tbody>
</table>
### 8. Intangible assets

<table>
<thead>
<tr>
<th>£m</th>
<th>Goodwill</th>
<th>Computer software</th>
<th>Customer relationships</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2010</td>
<td>969.4</td>
<td>85.5</td>
<td>52.5</td>
<td>3.0</td>
<td>1,110.4</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>15.3</td>
<td>-</td>
<td>-</td>
<td>15.3</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>(40.4)</td>
<td>(11.4)</td>
<td>(11.3)</td>
<td>-</td>
<td>(63.1)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(5.5)</td>
<td>-</td>
<td>-</td>
<td>(5.5)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>9.6</td>
<td>4.1</td>
<td>1.5</td>
<td>-</td>
<td>15.2</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>938.6</td>
<td>88.0</td>
<td>42.7</td>
<td>3.0</td>
<td>1,072.3</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>14.2</td>
<td>-</td>
<td>-</td>
<td>14.2</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>3.9</td>
<td>0.2</td>
<td>-</td>
<td>-</td>
<td>4.1</td>
</tr>
<tr>
<td>Reclassified from held for sale</td>
<td>24.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24.9</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>-</td>
<td>(0.1)</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(2.5)</td>
<td>-</td>
<td>-</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Disposal of businesses</td>
<td>(693.6)</td>
<td>(79.3)</td>
<td>(41.6)</td>
<td>(1.7)</td>
<td>(816.2)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(4.4)</td>
<td>0.5</td>
<td>0.6</td>
<td>-</td>
<td>(3.3)</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>269.4</td>
<td>21.0</td>
<td>1.7</td>
<td>1.3</td>
<td>293.4</td>
</tr>
</tbody>
</table>

#### Amortisation and impairment

| | | | | | |
|---|---|---|---|---|
| At 1 January 2010 | 415.6 | 36.6 | 16.6 | 1.7 | 470.5 |
| Charge for the year | - | 13.0 | 5.5 | 0.7 | 19.2 |
| Reclassified to held for sale | (9.0) | (1.5) | (7.7) | - | (18.2) |
| Disposals | - | (5.5) | - | - | (5.5) |
| Exchange adjustments | 6.1 | 1.7 | 0.4 | - | 8.2 |
| At 1 January 2011 | 412.7 | 44.3 | 14.8 | 2.4 | 474.2 |
| Charge for the year | - | 5.9 | 0.9 | 0.3 | 7.1 |
| Impairment | 3.9 | - | - | - | 3.9 |
| Reclassified from held for sale | 9.0 | - | - | - | 9.0 |
| Reclassified to held for sale | - | (0.1) | - | - | (0.1) |
| Disposals | - | (1.4) | - | - | (1.4) |
| Disposal of businesses | (412.9) | (37.6) | (14.5) | (1.7) | (466.7) |
| Exchange adjustments | (2.8) | 0.2 | 0.2 | - | (2.4) |
| At 31 December 2011 | 9.9 | 11.3 | 1.4 | 1.0 | 23.6 |

#### Net book value

| | | | | |
|---|---|---|---|
| At 31 December 2011 | 259.5 | 9.7 | 0.3 | 0.3 | 269.8 |
| At 1 January 2011 | 525.9 | 43.7 | 27.9 | 0.6 | 598.1 |
| At 1 January 2010 | 553.8 | 48.9 | 35.9 | 1.3 | 639.9 |
8. Intangible assets (continued)

The carrying amount of goodwill is allocated to the following cash generating units:

<table>
<thead>
<tr>
<th>£m</th>
<th>Goodwill</th>
<th>Impairment</th>
<th>Pre-tax discount rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Card Program Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td>-</td>
<td>-</td>
<td>3.9</td>
</tr>
<tr>
<td>Global Business Payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>-</td>
<td>123.3</td>
<td>-</td>
</tr>
<tr>
<td>Americas</td>
<td>-</td>
<td>97.0</td>
<td>-</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>-</td>
<td>51.6</td>
<td>-</td>
</tr>
<tr>
<td>EMEA</td>
<td>-</td>
<td>10.4</td>
<td>-</td>
</tr>
<tr>
<td>Currency Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>48.3</td>
<td>48.3</td>
<td>-</td>
</tr>
<tr>
<td>Americas</td>
<td>31.0</td>
<td>31.0</td>
<td>-</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>37.3</td>
<td>37.3</td>
<td>-</td>
</tr>
<tr>
<td>EMEA</td>
<td>63.4</td>
<td>63.4</td>
<td>-</td>
</tr>
<tr>
<td>Wholesale Cash</td>
<td>63.6</td>
<td>63.6</td>
<td>-</td>
</tr>
<tr>
<td>Insurance</td>
<td>15.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>259.5</td>
<td>525.9</td>
<td>3.9</td>
</tr>
</tbody>
</table>

The recoverable amounts for the cash generating units 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 covered a three year forecast (2010: four years), followed by an extrapolation of expected cash flows at a growth rate in the range of 2.0% - 3.7% (2010: 2.0%). The growth rates reflect the long-term average rates for the countries in which the cash generating units operate.

Key assumptions are based on the free cash flows of each cash generating unit, which have been determined based on a combination of past experience of the markets in which the Group operates and the expected growth in the forecast period.

The fair value less costs to sell calculations are based on the 2012 forecast EBITDA applying a multiple which reflects the product lines and industry in which the cash generating units operate. The costs to sell are estimated to be 2% (2010: 2%) of the fair value of the business.

Other than the considerations described in determining the recoverable amount of the cash generating units described above, there are no other key assumptions.

The goodwill attributable to the Insurance cash generating unit has been reclassified back from the disposal group held for sale.
### Travelex Holdings Limited
### Consolidated financial statements
### Notes to the financial statements
### for the year ended 31 December 2011

#### 9. Property, plant and equipment

<table>
<thead>
<tr>
<th>£m</th>
<th>Land and buildings</th>
<th>Fixtures and fittings</th>
<th>Computer hardware</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2010</td>
<td>25.2</td>
<td>45.3</td>
<td>27.2</td>
<td>97.7</td>
</tr>
<tr>
<td>Additions</td>
<td>3.1</td>
<td>7.2</td>
<td>3.6</td>
<td>13.9</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>-</td>
<td>(1.9)</td>
<td>(1.3)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(0.3)</td>
<td>(11.6)</td>
<td>(12.3)</td>
<td>(24.2)</td>
</tr>
<tr>
<td>Acquisition</td>
<td>-</td>
<td>0.4</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>2.2</td>
<td>2.6</td>
<td>2.1</td>
<td>6.9</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>30.2</td>
<td>42.0</td>
<td>19.3</td>
<td>91.5</td>
</tr>
<tr>
<td>Additions</td>
<td>4.4</td>
<td>9.9</td>
<td>6.5</td>
<td>20.8</td>
</tr>
<tr>
<td>Reclassified from held for sale</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>-</td>
<td>(0.3)</td>
<td>(0.1)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1.1)</td>
<td>(5.3)</td>
<td>(2.9)</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Disposal of businesses</td>
<td>(2.5)</td>
<td>(4.3)</td>
<td>(15.2)</td>
<td>(22.0)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(0.3)</td>
<td>-</td>
<td>(0.2)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>30.7</td>
<td>42.0</td>
<td>8.1</td>
<td>80.8</td>
</tr>
</tbody>
</table>

#### Depreciation

<table>
<thead>
<tr>
<th>£m</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2010</td>
<td>12.4</td>
<td>25.3</td>
<td>17.8</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>3.0</td>
<td>6.6</td>
<td>4.1</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>-</td>
<td>(1.3)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(0.3)</td>
<td>(11.4)</td>
<td>(12.2)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>1.3</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>16.4</td>
<td>21.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>3.1</td>
<td>3.8</td>
<td>4.1</td>
</tr>
<tr>
<td>Reclassified from held for sale</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>-</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(0.9)</td>
<td>(2.8)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Disposal of businesses</td>
<td>(1.6)</td>
<td>(2.9)</td>
<td>(12.6)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>16.8</td>
<td>19.0</td>
<td>0.1</td>
</tr>
</tbody>
</table>

### Net book value

<table>
<thead>
<tr>
<th>£m</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 December 2011</td>
<td>13.9</td>
<td>23.0</td>
<td>8.0</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>13.8</td>
<td>21.0</td>
<td>8.3</td>
</tr>
<tr>
<td>At 1 January 2010</td>
<td>12.8</td>
<td>20.0</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Motor vehicles are included within fixtures and fittings. The net book value of property, plant and equipment includes £2.7m (2010: £2.0m) in respect of assets held under finance leases and hire purchase contracts.
10. Investments accounted for using the equity method

<table>
<thead>
<tr>
<th>£m</th>
<th>Interest in joint ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2010</td>
<td>70.0</td>
</tr>
<tr>
<td>Share of profit after tax</td>
<td>10.2</td>
</tr>
<tr>
<td>Distributions</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Increase in share capital</td>
<td>0.7</td>
</tr>
<tr>
<td>Disposals</td>
<td>(1.1)</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>73.6</td>
</tr>
<tr>
<td>Share of profit after tax</td>
<td>10.2</td>
</tr>
<tr>
<td>Distributions</td>
<td>(8.4)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>4.2</td>
</tr>
<tr>
<td>Impairment</td>
<td>(4.2)</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>75.4</td>
</tr>
</tbody>
</table>

On 4 November 2011 the Group acquired 49% of the shares in FX Africa Foreign Exchange (Proprietary) Limited, a company incorporated in South Africa. Details of the acquisition are disclosed in Note 22.

The Group's significant joint venture interest is its 80% shareholding in the ordinary share capital of Travelex Currency Services Limited (TCS), a company incorporated in England and Wales. The principal activity of TCS is the provision of foreign currency services to financial institutions and travel agents. The Company has been equity accounted as a joint venture because financial and operating decisions require the approval of both shareholders under the terms of the shareholder agreement.

The Balance Sheet and Income Statement of TCS is summarised as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>28.4</td>
<td>21.3</td>
</tr>
<tr>
<td>Non current assets</td>
<td>11.6</td>
<td>8.1</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(27.3)</td>
<td>(18.8)</td>
</tr>
<tr>
<td>Non current liabilities</td>
<td>(1.7)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Net assets</td>
<td>11.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Income</td>
<td>34.9</td>
<td>30.7</td>
</tr>
<tr>
<td>Expenses</td>
<td>(20.9)</td>
<td>(19.0)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>14.0</td>
<td>11.7</td>
</tr>
<tr>
<td>Taxation</td>
<td>(3.7)</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Distributions</td>
<td>(8.2)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Retained profit for the year</td>
<td>2.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

11. Inventories

Inventories of £0.8m (2010: £0.9m) relate to non cash items sold through the retail shops.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

12. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>35.5</td>
<td>29.2</td>
<td></td>
</tr>
<tr>
<td>Amounts due from travellers’ cheques agents</td>
<td>2.4</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>44.1</td>
<td>10.2</td>
<td></td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>28.1</td>
<td>12.8</td>
<td></td>
</tr>
<tr>
<td>Amounts due from joint ventures and associates</td>
<td>5.6</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>115.7</td>
<td>58.2</td>
<td></td>
</tr>
<tr>
<td>Non current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>2.3</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.3</td>
<td>3.2</td>
<td></td>
</tr>
</tbody>
</table>

Current prepayments and accrued income includes £20.5m prepaid to shareholders of Grupo Confidence, pending the required approvals for acquisition (see Note 22). Other receivables includes £26.2m owing by Grupo Confidence in respect of cash passport funds placed with them.

13. Investments

Investments restricted for use within the non core travellers’ cheques business are as follows:

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travellers’ cheques float deposits</td>
<td>5.7</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>Money on structured deposits</td>
<td>12.6</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18.3</td>
<td>17.4</td>
<td></td>
</tr>
<tr>
<td>Non current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money on structured deposits</td>
<td>140.5</td>
<td>152.6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>158.8</td>
<td>170.0</td>
<td></td>
</tr>
</tbody>
</table>

14. Available for sale investments

Available for sale investments represent equity shares available for sale. Within reserves £1.0m (2010: £0.7m) is held as an unrecognised gain.

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>At 1 January</td>
<td>0.9</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Revaluation</td>
<td>0.3</td>
<td>(0.3)</td>
<td></td>
</tr>
<tr>
<td>At 31 December</td>
<td>1.2</td>
<td>0.9</td>
<td></td>
</tr>
</tbody>
</table>
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
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15. Cash and cash equivalents

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>455.4</td>
<td>467.3</td>
</tr>
<tr>
<td>Term deposits with original maturities of less than three months</td>
<td>63.9</td>
<td>79.3</td>
</tr>
<tr>
<td></td>
<td>519.3</td>
<td>546.6</td>
</tr>
</tbody>
</table>

Included within the cash and cash equivalents balance of £519.3m (2010: £546.6m) are the following balances:

- £76.5m (2010: £59.5m) of cash held in tills and vaults throughout the Currency Services network;
- £6.9m (2010: £79.0m) of customer settlements received in advance;
- £82.3m (2010: £84.6m) of monies received from Cash Passport customers whose use is restricted to the settlement of associated liabilities;
- £65.7m (2010: £81.3m) of cash and term deposits with original maturities of less than three months which are ring fenced with its use restricted to the travellers’ cheques business; and

The remaining £287.9m (2010: £242.2m) is deposited in bank accounts throughout the Group and in certain jurisdictions while available to the Group, is subject to regulatory and legal restrictions as to its use.

16. Restricted cash

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts held in escrow</td>
<td>58.5</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>58.5</td>
<td>-</td>
</tr>
<tr>
<td>Non current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts held in escrow</td>
<td>42.0</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>42.0</td>
<td>-</td>
</tr>
</tbody>
</table>

Current restricted cash comprises £27.5m held in escrow relating to the sale of the Card Program Management business which is expected to be received in 2012 and £31.0m held in escrow relating to the future acquisition of Grupo Confidence, pending required approvals.

Non current restricted cash consists of amounts held in escrow relating to the sale of the Global Business Payments business. These amounts are expected to be received in 2013.
### 17. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>56.9</td>
<td>119.6</td>
<td></td>
</tr>
<tr>
<td>Travellers' cheques awaiting redemption</td>
<td>326.1</td>
<td>362.0</td>
<td></td>
</tr>
<tr>
<td>Cash Passports awaiting redemption</td>
<td>115.8</td>
<td>84.6</td>
<td></td>
</tr>
<tr>
<td>Other tax and social security</td>
<td>9.6</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>Other payables</td>
<td>50.6</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>85.0</td>
<td>93.1</td>
<td></td>
</tr>
<tr>
<td>Amounts due to joint ventures and associates</td>
<td>6.7</td>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>650.7</td>
<td>700.6</td>
<td></td>
</tr>
<tr>
<td>Non current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>3.8</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>654.5</td>
<td>704.4</td>
<td></td>
</tr>
</tbody>
</table>

Travellers' cheques and Cash Passports awaiting redemption represent travellers' cheques and balances on Cash Passports issued but not encashed. These balances are presented in accordance with their contractual maturity dates, although the expected encashment profile of travellers' cheques awaiting redemption is not reflective of this contracted maturity date.

### 18. Financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td>3.7</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>0.5</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Term loans</td>
<td>-</td>
<td>17.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.2</td>
<td>25.6</td>
<td></td>
</tr>
<tr>
<td>Non current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>1.5</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td>Share based payments</td>
<td>9.4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Preference shares classified as liabilities</td>
<td>124.0</td>
<td>112.7</td>
<td></td>
</tr>
<tr>
<td>Term loans</td>
<td>985.1</td>
<td>1,550.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,120.0</td>
<td>1,664.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,124.2</td>
<td>1,689.8</td>
<td></td>
</tr>
</tbody>
</table>

Included in preference shares classified as liabilities is £62.7m (2010: £51.4m) relating to unpaid finance costs on preference shares that are not expected to be paid within one year.

The maturity profile of loans and other borrowings is as follows:

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>4.2</td>
<td>25.6</td>
<td></td>
</tr>
<tr>
<td>Between one and two years</td>
<td>0.6</td>
<td>17.6</td>
<td></td>
</tr>
<tr>
<td>Between two and five years</td>
<td>368.1</td>
<td>885.5</td>
<td></td>
</tr>
<tr>
<td>After five years</td>
<td>751.3</td>
<td>761.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,124.2</td>
<td>1,689.8</td>
<td></td>
</tr>
</tbody>
</table>
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18. Financial liabilities (continued)

The legal maturity of the Group’s term loans range from 2015 to 2035, as detailed below. The Directors estimate the expected life of the term loans to be October 2014 (2010: October 2012) having considered a range of potential financing structures available to the Group. The reassessment of the maturity date in the year has resulted in an exceptional credit of £56.0m (2010: £25.8m).

<table>
<thead>
<tr>
<th>£m</th>
<th>Term</th>
<th>Interest Rates</th>
<th>Interest Rates</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Debt</td>
<td>2012 to 2014</td>
<td>Libor plus 2.00% to 3.00%</td>
<td>Libor plus 2.00% to 3.00%</td>
<td>-</td>
<td>641.0</td>
</tr>
<tr>
<td>Preference certificates</td>
<td>2035</td>
<td>10.00%</td>
<td>10.00%</td>
<td>10.9</td>
<td>10.3</td>
</tr>
<tr>
<td>Loans and PIK notes</td>
<td>2020</td>
<td>10.00%</td>
<td>10.00%</td>
<td>616.3</td>
<td>581.7</td>
</tr>
<tr>
<td>Senior PIK notes</td>
<td>2015</td>
<td>Libor plus 7.25% to 9.25%</td>
<td>-</td>
<td>292.4</td>
<td>271.9</td>
</tr>
<tr>
<td>Loans and PIK notes</td>
<td>2016</td>
<td>10.00%</td>
<td>10.00%</td>
<td>65.5</td>
<td>62.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>985.1</td>
<td>1,567.2</td>
</tr>
</tbody>
</table>

Certain loans and PIK notes due in 2020 are listed on the Main Securities Market of the Irish Stock Exchange. In addition to the term loans, the Group has a £100.0m (2010: £100.0m) revolving credit facility, of which £1.7m has been provided by a bank which is currently in administration and therefore not available, which can be used for borrowing or issuing guarantees and expires in October 2012. Interest is charged on utilised amounts at LIBOR plus 1.25% to 1.75%. As at the end of the year the Group had utilised £nil (2010: £nil) of the cash borrowing facility and £21.8m (2010: £28.2m) was utilised by guarantees.

Other bank overdrafts are denominated in a number of currencies and bear interest based on LIBOR or foreign equivalents appropriate to the currency in which the borrowing is incurred. The most significant facility is a £20.0m (2010: £20.0m) overdraft facility provided to the travellers’ cheques business to fund short term liquidity requirements committed until December 2013. Interest is charged on utilised amounts at LIBOR plus 1.75%. As at the end of the year the Group had utilised £nil (2010: £nil) of the overdraft facility.

The Group has given fixed and floating charges and other security over £1,353.3m of its assets in relation to the debt and overdraft facilities provided by lenders to the Group. In addition, the Group is subject to financial covenant ratios involving measures such as cashflow to net debt service, EBITDA to net finance charges, total net debt to EBITDA and capital expenditure. If covenants are breached these borrowings would be reclassified as due on demand.

Preference share capital

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2011</th>
<th>2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>£m</td>
<td>Number</td>
<td>£m</td>
</tr>
<tr>
<td>10.0% cumulative preference shares of £1 each</td>
<td>61,287,636</td>
<td>61.3</td>
<td>61,287,636</td>
<td>61.3</td>
</tr>
</tbody>
</table>

The 10.0% cumulative preference shares do not carry voting rights and are redeemable on 2 August 2020, on sale of the Company, or at any time upon the Company giving 10 days written notice to the holders. Shareholders are entitled to dividends at 10.0% per annum on the par value of these shares on a cumulative basis. Any preference dividend that is due and remains unpaid is entitled to 10.0% interest per annum until the date of actual payment. In the event of winding up, the preference shareholders rank above ordinary shareholders and are entitled to receive £1 per share and any dividends accrued but unpaid in respect of their shares.
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19. Financial instruments

Derivative financial instruments

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>2011</th>
<th></th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets</td>
<td>Liabilities</td>
<td>Net assets (liabilities)</td>
<td>Assets</td>
<td>Liabilities</td>
<td>Net assets (liabilities)</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>16.9</td>
<td>(16.1)</td>
<td>0.8</td>
<td>48.6</td>
<td>(41.9)</td>
<td>6.7</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>0.5</td>
<td>(0.5)</td>
<td>-</td>
<td>1.7</td>
<td>(1.7)</td>
<td>-</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5.5)</td>
<td>(5.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17.4</td>
<td>(16.6)</td>
<td>0.8</td>
<td>50.3</td>
<td>(49.1)</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Disposal groups held for sale include £2.2m derivative financial assets relating to foreign currency forward contracts. See Note 24.

The interest rate swaps designated as derivatives used for hedging and all other derivative financial instruments have been classified at fair value with gains and losses charged through the income statement.

Non-derivative financial instruments

For the purposes of the disclosures in this note, the following classifications have been used as required under IFRS 7:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables - non current</td>
<td>Non financial instruments</td>
<td>2.3</td>
<td>3.2</td>
</tr>
<tr>
<td>Receivables - current</td>
<td>Loans and receivables</td>
<td>85.3</td>
<td>43.4</td>
</tr>
<tr>
<td>Receivables - included in disposal group classified as held for sale</td>
<td>Non financial instruments</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>123.4</td>
<td></td>
<td>78.3</td>
</tr>
<tr>
<td>Investments - non current</td>
<td>Loans and receivables</td>
<td>140.5</td>
<td>152.6</td>
</tr>
<tr>
<td>Investments - current</td>
<td>Loans and receivables</td>
<td>18.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td>Available for sale</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Trade and other payables - non current</td>
<td>Non financial instruments</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Trade and other payables - current</td>
<td>Other financial liabilities</td>
<td>637.4</td>
<td>688.5</td>
</tr>
<tr>
<td>Trade and other payables - included in disposal group classified as held for sale</td>
<td>Other financial liabilities</td>
<td>13.3</td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td>Non financial instruments</td>
<td>8.4</td>
<td>31.1</td>
</tr>
<tr>
<td></td>
<td>Non financial instruments</td>
<td>0.4</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>663.3</td>
<td></td>
<td>740.0</td>
</tr>
<tr>
<td>Financial liabilities - non current</td>
<td>Other financial liabilities</td>
<td>1,120.0</td>
<td>1,664.2</td>
</tr>
<tr>
<td>Financial liabilities - current</td>
<td>Other financial liabilities</td>
<td>4.2</td>
<td>25.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,124.2</td>
<td></td>
<td>1,689.8</td>
</tr>
</tbody>
</table>
19. Financial instruments (continued)

Credit risk

The Group’s credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. Credit risk arises principally from cash and cash equivalents, prepayments made in advance on acquisition, current asset investments, trade receivables, derivative financial instruments and to a lesser extent from other contractual financial obligations. As at 31 December 2011 the Group held £0.1m (2010: £9.7m) of cash collateral against customers’ open derivative positions and had deposited cash collateral of £0.6m (2010: £1.8m) with trading bank counterparties.

For trade receivables there was no relevant concentration of credit risk by type of counterparty at the end of the current and prior years. In accordance with the Group’s credit policy, new customers are reviewed for creditworthiness before standard payment and delivery terms and conditions are entered into. Individual credit terms are set and monitored regularly.

Current asset investments comprise money market deposits and structured deposits which are placed with a single top tier (A+ rated) financial institution. The Group invests cash with major banks of a high credit standing around the world. At the end of 2011, the Group’s largest counterparty accounted for 44% (2010: 53%) of the Group’s total exposure to current asset investments and cash and cash equivalents.

The credit risk from other financial contractual relationships, including other receivables and amounts due from joint ventures and associates, are not material.

The book value of all financial assets represents the maximum credit risk at the balance sheet date.

With respect to financial assets past due but not impaired there are no indications that counterparties will be unable to meet their obligations. Furthermore, no indications of default are recognisable for financial assets that are neither past due nor impaired. Financial assets past due but not impaired are as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>0-3 months</th>
<th>3-6 months</th>
<th>Over 6 months</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>1.8</td>
<td>0.2</td>
<td>0.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Other receivables</td>
<td>0.2</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>2.0</td>
<td>0.2</td>
<td>0.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£m</th>
<th>0-3 months</th>
<th>3-6 months</th>
<th>Over 6 months</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>4.3</td>
<td>0.2</td>
<td>0.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Other receivables</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Forward foreign currency contracts</td>
<td>6.8</td>
<td>1.6</td>
<td>0.1</td>
<td>8.5</td>
</tr>
<tr>
<td>Total</td>
<td>11.2</td>
<td>1.8</td>
<td>0.2</td>
<td>13.2</td>
</tr>
</tbody>
</table>

As at 31 December 2011 impaired financial assets based upon the Group’s expectations of the counterparties’ ability to settle included trade receivables of £0.8m (2010: £2.2m), other receivables of £0.1m (2010: £0.1m) and £nil (2010: £1.6m) of forward foreign currency contracts. There was no collateral held against impaired trade receivables, amounts and other receivables in either the current or prior year.
19. Financial instruments (continued)

Interest rate risk

The Group borrows and invests at both fixed and floating rates of interest and utilises interest rate swaps to manage interest rate exposures. The Group had designated interest rate swaps as cash flow hedges of issued debt.

The Group has managed interest rate exposure in senior borrowing facilities by entering into a series of interest rate swaps that were terminated in 2011 on repayment of the Senior Debt. The swaps hedged the cash flow interest rate risk of the liabilities by swapping the floating interest rate on the liabilities into fixed rates.

At 31 December 2011 the fair value, including accrued interest, of all interest rate swaps designated as cash flow hedges was £nil (2010: £(5.3)m). During the year unrealised losses on hedges of £5.5m were taken from reserves to the income statement (2010: £5.1m) and gains of £0.2m (2010: £1.4m) were taken to the income statement due to ineffectiveness.

There were no derivatives outstanding at the balance sheet date which were designated as fair value hedges.

Interest rate sensitivity

At 31 December 2011, if interest rates at that date had been 10 basis points lower with all other variables held constant, the profit after tax for the year would have been £0.2m lower (2010: loss after tax £0.1m higher) and other components of equity would have been £nil (2010: £0.2m lower). If interest rates had been 10 basis points higher, with all other variables held constant, the profit after tax for the year would have been £0.2m higher (2010: loss after tax £0.1m lower) and other components of equity would have been £nil (2010: £0.2m higher).

Capital management policy and liquidity risk

The Group’s policy is to manage its capital requirements and liquidity through a combination of retained earnings, bank borrowings and other term debt, details of which are laid out on pages 11-12 of the Directors’ report. The aim of the policy is to balance certainty of funding with a cost effective and flexible borrowing structure.

Global cash management is an important daily activity and the Group operates a policy of centralising surplus cash in order to facilitate intra-group funding and to minimise external borrowing requirements. The Group has a £100.0m (2010: £100.0m) revolving credit facility to provide short term liquidity to meet operating cash needs, of which £1.7m has been provided by a bank which is currently in administration and therefore not available.

The daily settlement flows in respect of both financial asset and financial liability spot and forward contracts require adequate liquidity which is provided through intra-day settlement facilities.

Travellers’ cheques can be encashed at any time following issue, although the encashment profile of travellers’ cheques awaiting redemption is not reflective of this contractual maturity date. The encashment profile of travellers’ cheques awaiting redemption is monitored on a monthly basis to ensure the Group has the liquidity to meet encashments once made. The Directors estimate that at year end exchange rates £30.1m (2010: £38.0m) of the travellers’ cheques awaiting redemption will be encashed within twelve months of the balance sheet date.
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19. Financial instruments (continued)

The table below analyses the Group’s gross, undiscounted financial assets and liabilities at the balance sheet date by their contractual maturity date:

<table>
<thead>
<tr>
<th>£m</th>
<th>Within one year</th>
<th>Between one and two years</th>
<th>Between two and five years</th>
<th>After five years</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current asset receivables</td>
<td>80.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>80.3</td>
</tr>
<tr>
<td>Amounts due from joint ventures</td>
<td>5.6</td>
<td></td>
<td></td>
<td></td>
<td>5.6</td>
</tr>
<tr>
<td>Non current asset investments</td>
<td>-</td>
<td>13.5</td>
<td>42.1</td>
<td>84.9</td>
<td>140.5</td>
</tr>
<tr>
<td>Current asset investments</td>
<td>18.3</td>
<td>-</td>
<td></td>
<td></td>
<td>18.3</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td>2.2</td>
<td>-</td>
<td></td>
<td></td>
<td>2.2</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>519.3</td>
<td>-</td>
<td></td>
<td></td>
<td>519.3</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>58.5</td>
<td>42.0</td>
<td></td>
<td>-</td>
<td>100.5</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>1,642.9</td>
<td>5.3</td>
<td></td>
<td>-</td>
<td>1,648.2</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>0.5</td>
<td>-</td>
<td></td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td>(3.7)</td>
<td>-</td>
<td>-</td>
<td></td>
<td>(3.7)</td>
</tr>
<tr>
<td>Share based payments</td>
<td>-</td>
<td>-</td>
<td>(9.4)</td>
<td>-</td>
<td>(9.4)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(56.7)</td>
<td>(0.3)</td>
<td></td>
<td>-</td>
<td>(57.0)</td>
</tr>
<tr>
<td>Amounts due to joint ventures</td>
<td>(6.7)</td>
<td>-</td>
<td></td>
<td></td>
<td>(6.7)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(119.8)</td>
<td>(2.4)</td>
<td>(0.3)</td>
<td>(0.7)</td>
<td>(123.2)</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>(0.7)</td>
<td>(0.5)</td>
<td>(0.8)</td>
<td></td>
<td>(2.0)</td>
</tr>
<tr>
<td>Preference shares classified as liabilities</td>
<td>-</td>
<td>-</td>
<td>(281.2)</td>
<td></td>
<td>(281.2)</td>
</tr>
<tr>
<td>Term loans</td>
<td>-</td>
<td>-</td>
<td>(592.5)</td>
<td>(1,841.2)</td>
<td>(2,433.7)</td>
</tr>
<tr>
<td>Travellers' cheques and Cash</td>
<td>(441.9)</td>
<td>-</td>
<td></td>
<td></td>
<td>(441.9)</td>
</tr>
<tr>
<td>Passports awaiting redemption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>(1,639.9)</td>
<td>(5.3)</td>
<td></td>
<td></td>
<td>(1,645.2)</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>(0.5)</td>
<td>-</td>
<td></td>
<td></td>
<td>(0.5)</td>
</tr>
</tbody>
</table>

57.7  52.3  (560.9)  (2,038.2)  (2,489.1)
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19. Financial instruments (continued)

The table below analyses the Group’s gross, undiscounted financial liabilities at 31 December 2010 by their contractual maturity date.

<table>
<thead>
<tr>
<th></th>
<th>Within one year</th>
<th>Between one and two years</th>
<th>Between two and five years</th>
<th>After five years</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current asset receivables</td>
<td>49.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49.0</td>
</tr>
<tr>
<td>Amounts due from joint ventures</td>
<td>3.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.4</td>
</tr>
<tr>
<td>Non current asset investments</td>
<td>-</td>
<td>19.9</td>
<td>58.8</td>
<td>141.0</td>
<td>219.7</td>
</tr>
<tr>
<td>Current asset investments</td>
<td>20.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20.0</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td>1.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.6</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>551.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>551.3</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>2,644.1</td>
<td>18.3</td>
<td>0.1</td>
<td>-</td>
<td>2,662.5</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>88.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>88.5</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td>(8.4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(8.4)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(124.9)</td>
<td>-</td>
<td>(0.7)</td>
<td>(0.8)</td>
<td>(126.4)</td>
</tr>
<tr>
<td>Amounts due to joint ventures</td>
<td>(4.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(144.3)</td>
<td>-</td>
<td>(2.7)</td>
<td>(4.5)</td>
<td>(151.5)</td>
</tr>
<tr>
<td>Obligations under finance leases</td>
<td>(0.4)</td>
<td>(0.6)</td>
<td>(0.8)</td>
<td>-</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Preference shares classified as liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(281.2)</td>
<td>(281.2)</td>
</tr>
<tr>
<td>Term loans</td>
<td>(34.4)</td>
<td>(46.8)</td>
<td>(1,127.2)</td>
<td>(1,789.0)</td>
<td>(2,997.4)</td>
</tr>
<tr>
<td>Travellers’ cheques and Cash</td>
<td>(579.0)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(579.0)</td>
</tr>
<tr>
<td>Passports awaiting redemption</td>
<td>(2,639.4)</td>
<td>(16.3)</td>
<td>(0.1)</td>
<td>-</td>
<td>(2,655.8)</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>(88.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(88.5)</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>(5.5)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5.5)</td>
</tr>
<tr>
<td></td>
<td>(271.0)</td>
<td>(25.5)</td>
<td>(1,072.6)</td>
<td>(1,934.5)</td>
<td>(3,303.6)</td>
</tr>
</tbody>
</table>

**Foreign currency risk**

The Group’s balance sheet currency exposure is primarily managed by matching currency assets with currency borrowings and currency swap transactions, most notably in relation to the United States Dollar. The largest currency liabilities are created from the sale of travellers’ cheques and Cash Passports. All such liabilities are hedged either by ensuring investments and/or cash deposits are held in the same currencies as the liabilities or by forward foreign currency transactions.
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19. Financial instruments (continued)

The following table shows the effect on the profit after tax had, at 31 December 2011, the exchange rates for the United States Dollar, Australian Dollar and Euro been weaker (+10%) or stronger (-10%) against Sterling, with all other variables held constant.

<table>
<thead>
<tr>
<th>£m</th>
<th>2011 +10%</th>
<th>2011 -10%</th>
<th>2010 +10%</th>
<th>2010 -10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Dollar</td>
<td>(1.5)</td>
<td>1.8</td>
<td>(26.8)</td>
<td>32.7</td>
</tr>
<tr>
<td>Australian Dollar</td>
<td>(1.3)</td>
<td>1.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Euro</td>
<td>(0.5)</td>
<td>0.6</td>
<td>0.6</td>
<td>(0.7)</td>
</tr>
</tbody>
</table>

The following tables detail the foreign currency receivables and payables on financial instruments in their Sterling equivalents at the year end.

<table>
<thead>
<tr>
<th>£m</th>
<th>United States Dollar</th>
<th>Australian Dollar</th>
<th>Euro</th>
<th>Other</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts receivable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>3.5</td>
<td>5.2</td>
<td>7.4</td>
<td>4.3</td>
<td>20.4</td>
</tr>
<tr>
<td>Amounts due from travellers’ cheques agents</td>
<td>2.2</td>
<td>-</td>
<td>0.1</td>
<td>-</td>
<td>2.3</td>
</tr>
<tr>
<td>Other receivables</td>
<td>15.6</td>
<td>1.3</td>
<td>60.3</td>
<td>23.9</td>
<td>101.1</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>582.1</td>
<td>135.6</td>
<td>224.2</td>
<td>265.3</td>
<td>1,207.2</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>105.0</td>
<td>29.5</td>
<td>68.7</td>
<td>89.5</td>
<td>292.7</td>
</tr>
<tr>
<td>Current asset investments</td>
<td>160.7</td>
<td>11.0</td>
<td>19.6</td>
<td>7.0</td>
<td>198.3</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td>-</td>
<td>-</td>
<td>1.2</td>
<td>-</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Amounts payable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td>-</td>
<td>(1.5)</td>
<td>-</td>
<td>(0.2)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(11.1)</td>
<td>(8.9)</td>
<td>(15.9)</td>
<td>(3.9)</td>
<td>(39.8)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(55.6)</td>
<td>(20.8)</td>
<td>(23.4)</td>
<td>(21.4)</td>
<td>(121.2)</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>(702.1)</td>
<td>(130.1)</td>
<td>(283.7)</td>
<td>(251.0)</td>
<td>(1,366.9)</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>-</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Travellers’ cheques and Cash</td>
<td>(272.1)</td>
<td>(29.5)</td>
<td>(60.9)</td>
<td>(24.1)</td>
<td>(386.6)</td>
</tr>
<tr>
<td>Passports awaiting redemption</td>
<td></td>
<td></td>
<td></td>
<td>89.4</td>
<td>(93.0)</td>
</tr>
</tbody>
</table>

(171.8) | (8.2) | (2.4) | 89.4 | (93.0) |
19. Financial instruments (continued)

<table>
<thead>
<tr>
<th>£m</th>
<th>United States Dollar</th>
<th>Australian Dollar</th>
<th>Euro</th>
<th>Other</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amounts receivable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>5.3</td>
<td>5.8</td>
<td>8.4</td>
<td>10.2</td>
<td>29.7</td>
</tr>
<tr>
<td>Amounts due from travellers’ cheques agents</td>
<td>2.3</td>
<td></td>
<td>0.2</td>
<td></td>
<td>2.5</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2.7</td>
<td>0.2</td>
<td>7.1</td>
<td>3.3</td>
<td>13.3</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>967.3</td>
<td>300.4</td>
<td>426.2</td>
<td>337.8</td>
<td>2,031.7</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>36.4</td>
<td>46.2</td>
<td>3.5</td>
<td>1.7</td>
<td>87.8</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>148.2</td>
<td>27.9</td>
<td>105.9</td>
<td>83.1</td>
<td>365.1</td>
</tr>
<tr>
<td>Current asset investments</td>
<td>182.1</td>
<td>12.2</td>
<td>12.5</td>
<td>7.6</td>
<td>214.4</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td>0.9</td>
<td></td>
<td></td>
<td></td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Amounts payable</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td>(2.3)</td>
<td>(0.3)</td>
<td>(0.3)</td>
<td>(1.6)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(47.5)</td>
<td>(11.7)</td>
<td>(29.5)</td>
<td>(18.9)</td>
<td>(107.6)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(35.5)</td>
<td>(19.2)</td>
<td>(19.3)</td>
<td>(18.8)</td>
<td>(92.8)</td>
</tr>
<tr>
<td>Term loans</td>
<td>(416.5)</td>
<td>(99.8)</td>
<td>(30.1)</td>
<td></td>
<td>(546.4)</td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>(941.3)</td>
<td>(291.1)</td>
<td>(427.3)</td>
<td>(355.7)</td>
<td>(2,015.4)</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>(36.4)</td>
<td>(46.2)</td>
<td>(3.5)</td>
<td>(1.7)</td>
<td>(87.8)</td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>(4.3)</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td></td>
<td>(5.1)</td>
</tr>
<tr>
<td>Travellers’ cheques and Cash</td>
<td>(272.1)</td>
<td>(37.7)</td>
<td>(53.9)</td>
<td>(22.8)</td>
<td>(386.5)</td>
</tr>
<tr>
<td>Passports awaiting redemption</td>
<td>(410.7)</td>
<td>(113.7)</td>
<td>(0.5)</td>
<td></td>
<td>(500.7)</td>
</tr>
</tbody>
</table>

**Fair values**

With the exception of the structured deposits and the term loans, the fair values of financial instruments approximate to the carrying values. As at 31 December 2011 the fair value of the structured deposits was £151.8m (2010: £172.8m) and the term loans was £644.1m (2010: £1,213.1m).

The fair values of derivative financial instruments and structured deposits are estimated using the present value of the cash flows of the contracts based on the market rates at the balance sheet date. The fair value of term loans is determined by reference to prices at the close of business on the balance sheet date. Where there is no listing or active market, fair value is determined using valuation techniques.
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19. Financial instruments (continued)

The table below shows the fair value hierarchy of the Group’s financial instruments measured at fair value:

<table>
<thead>
<tr>
<th>£m</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through profit and loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>-</td>
<td>19.1</td>
<td>-</td>
<td>19.1</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available for sale</td>
<td>-</td>
<td>-</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Financial liabilities at fair value through profit and loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>-</td>
<td>(16.1)</td>
<td>-</td>
<td>(16.1)</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>-</td>
<td>(0.5)</td>
<td>-</td>
<td>(0.5)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£m</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets at fair value through profit and loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>-</td>
<td>48.6</td>
<td>-</td>
<td>48.6</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>-</td>
<td>1.7</td>
<td>-</td>
<td>1.7</td>
</tr>
<tr>
<td>Financial current asset investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available for sale</td>
<td>-</td>
<td>-</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Financial liabilities at fair value through profit and loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward and swap contracts</td>
<td>-</td>
<td>(41.9)</td>
<td>-</td>
<td>(41.9)</td>
</tr>
<tr>
<td>Foreign currency options</td>
<td>-</td>
<td>(1.7)</td>
<td>-</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Financial liabilities designated as hedging instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate swaps</td>
<td>-</td>
<td>(5.5)</td>
<td>-</td>
<td>(5.5)</td>
</tr>
</tbody>
</table>

Assets measured at fair value classified as Level 3 represent equity shares classified as available for sale financial assets:

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January</td>
<td>0.9</td>
<td>1.2</td>
</tr>
<tr>
<td>Total gains (losses) recognised in equity</td>
<td>0.3</td>
<td>(0.3)</td>
</tr>
<tr>
<td>At 31 December</td>
<td>1.2</td>
<td>0.9</td>
</tr>
</tbody>
</table>
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20. Provisions for liabilities and charges

<table>
<thead>
<tr>
<th>£m</th>
<th>Onerous contracts</th>
<th>Employee related provisions</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2011</td>
<td>2.2</td>
<td>4.3</td>
<td>1.7</td>
<td>8.2</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>-</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Charged to income statement</td>
<td>3.0</td>
<td>0.7</td>
<td>2.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Disposal of business</td>
<td>-</td>
<td>(1.1)</td>
<td>(0.1)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Reclassified to held for sale</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Written back to income statement</td>
<td>(1.9)</td>
<td>-</td>
<td>-</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Utilised in the year</td>
<td>-</td>
<td>(1.3)</td>
<td>(1.0)</td>
<td>(2.3)</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>3.3</td>
<td>2.8</td>
<td>3.3</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Onerous contract provisions are in respect of certain retail shop lease contracts. Employee related provisions, including early retirement costs, are expected to be utilised over the next year. Other provisions are all individually small and are in respect of other contractual agreements and legal matters, which are all expected to be utilised over the next year.

21. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The offset amounts are as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets - non current</td>
<td>24.1</td>
<td>20.5</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(1.4)</td>
<td>(8.9)</td>
</tr>
<tr>
<td></td>
<td><strong>22.7</strong></td>
<td><strong>11.6</strong></td>
</tr>
</tbody>
</table>

The movement in deferred tax is as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January</td>
<td>11.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Income statement (charge) credit</td>
<td>(1.3)</td>
<td>8.3</td>
</tr>
<tr>
<td>Tax charged direct to equity</td>
<td>0.2</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Disposal of businesses</td>
<td>12.2</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December</td>
<td><strong>22.7</strong></td>
<td><strong>11.6</strong></td>
</tr>
</tbody>
</table>
21. Deferred tax (continued)

The movement in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Property, plant and equipment</th>
<th>Intangible assets</th>
<th>Tax losses</th>
<th>Pension</th>
<th>Other temporary differences</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2010</td>
<td>7.9</td>
<td>-</td>
<td>6.1</td>
<td>-</td>
<td>21.5</td>
<td>35.5</td>
</tr>
<tr>
<td>Credited (charged) to the income statement</td>
<td>(1.1)</td>
<td>0.1</td>
<td>4.1</td>
<td>-</td>
<td>2.2</td>
<td>5.3</td>
</tr>
<tr>
<td>Credited (charged) direct to equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.4)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>0.3</td>
<td>-</td>
<td>0.1</td>
<td>-</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>7.1</td>
<td>0.1</td>
<td>10.3</td>
<td>-</td>
<td>23.3</td>
<td>40.8</td>
</tr>
<tr>
<td>Credited (charged) to the income statement</td>
<td>4.2</td>
<td>0.2</td>
<td>(1.8)</td>
<td>0.7</td>
<td>(6.7)</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Disposal of businesses</td>
<td>0.2</td>
<td>-</td>
<td>(2.9)</td>
<td>-</td>
<td>(2.3)</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>0.1</td>
<td>-</td>
<td>(0.3)</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>11.6</td>
<td>0.3</td>
<td>5.3</td>
<td>0.4</td>
<td>14.1</td>
<td>31.7</td>
</tr>
</tbody>
</table>

|                      |                               |                   |            |         |                             |       |
| **Liabilities**      |                               |                   |            |         |                             |       |
| At 1 January 2010    | (0.3)                         | (25.4)            | -          | (0.5)   | (4.7)                       | (30.9) |
| Credited (charged) to the income statement | (0.1) | 3.4 | - | (0.2) | (0.1) | 3.0 |
| Credited (charged) direct to equity | - | - | - | (0.3) | 0.1 | (0.2) |
| Exchange adjustments | -                             | (0.8)             | -          | 0.1     | (0.4)                       | (1.1) |
| At 1 January 2011    | (0.4)                         | (22.8)            | -          | (0.9)   | (5.1)                       | (29.2) |
| Credited (charged) to the income statement | 0.2 | 1.3 | - | 0.3 | 0.3 | 2.1 |
| Credited (charged) direct to equity | - | - | - | 0.2 | - | 0.2 |
| Disposal of businesses | 0.2 | 19.6 | - | - | (2.6) | 17.2 |
| Exchange adjustments | -                             | 0.7               | -          | -       | -                           | 0.7   |
| At 31 December 2011  | (1.2)                         | (0.4)             | (7.4)      | (7.4)   | (0.0)                       | (0.0) |

Other net temporary differences of £6.7m (2010: £18.2m) consist primarily of deferred tax assets relating to provisions and accruals of £5.7m (2010: £9.2m), derecognition of travellers’ cheques issued but not expected to be encashed of £6.1m (2010: £5.8m) and £1.4m (2010: £6.4m) in relation to short term differences on interest payable.

There are £15.3m unrecognised deferred tax assets relating to unused tax losses at the year end (2010: £16.4m) and £7.0m in relation to short term differences on interest payable at the year end.

There is a £4.5m deferred tax liability (2010: £4.7m) associated with investments in subsidiaries and joint ventures which has not been provided for as reversal of these temporary differences can be controlled by the Group and it is probable that a reversal will not occur in the foreseeable future.
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22. Acquisitions

On 27 May 2011, the Group signed an agreement to purchase 100% of the share capital of Grupo Confidence, a group of companies incorporated in Brazil. The purchase will be made in stages and is subject to approvals from the President of Brazil and the Central Bank, which have not yet been received. The first tranche of shares representing 49% ownership will be purchased at a cost of £55.1m following the receipt of the required approvals. The Group is contracted to purchase the remaining 51% shareholding by 14 November 2014 with an option to purchase from 30 September 2012. The purchase price for the remaining 51% will be calculated using an average earnings multiple dependent on the date of purchase with a maximum cash purchase price for this tranche of £100.0m. The Group prepaid £20.5m towards the purchase consideration during the year. This payment is recorded as a current asset. In addition, £31.0m has been paid into escrow for future payment pending approvals. This payment has been recorded as restricted cash.

On 24 May 2011, the Group also acquired 100% of the share capital of South American Card Services Administra dora de Cartoes S.A. (SACS) a prepaid card management business incorporated in Brazil for £3.7m.

An analysis of the identifiable net liabilities at the date of control is as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>Book and Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>0.2</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>26.3</td>
</tr>
<tr>
<td>Cash</td>
<td>6.6</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(33.1)</td>
</tr>
<tr>
<td>Other net liabilities</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Net identifiable liabilities</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

Goodwill on acquisition of £3.9m was recognised, being the consideration of £3.7m plus the fair value of the Group’s share of the identifiable net liabilities of £0.2m at the date of acquisition. Following an impairment review, the goodwill has been written down to £nil.

Revenues and profit for the year of £1.3m and £0.2m respectively have been recognised in the consolidated income statement for the period from acquisition. Had the subsidiary been consolidated for the full year, revenues and profits of £1.8m and £0.1m would have been recognised.

On 4 November 2011 the Group acquired 49% of the shares in FX Africa Foreign Exchange (Proprietary) Limited, a company incorporated in South Africa.

An analysis of the identifiable net assets as at the date of acquisition is as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>Book and Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>1.3</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>1.8</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>4.2</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Other net liabilities</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Net identifiable assets</td>
<td>2.6</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Assets attributable to Travelex</td>
<td>1.3</td>
</tr>
</tbody>
</table>
22. Acquisitions (continued)

Goodwill on acquisition of £2.9m was recognised, being the consideration of £4.2m less the fair value of the Group's share of the identifiable net assets of £1.3m at the date of acquisition. Following an impairment review, the investment has been written down to £nil.

23. Disposal of businesses

On 15 April 2011 the Group sold its Card Program Management operations to MasterCard Incorporated for £284.4m, of which £27.5m is held in escrow. Contingent consideration of up to £35.0m was receivable if certain performance targets were met. These performance targets were not met and no contingent consideration is receivable. The disposal group was classified as held for sale from 31 August 2010 and was previously reported in the Group's Card & Mobile Payments division. Under the terms of the escrow agreement, £13.8m is expected to be released on 15 April 2012 and £13.7m on 31 August 2012. The carrying amounts of the net assets of the business at the date of disposal were as follows:

<table>
<thead>
<tr>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non current assets</td>
</tr>
<tr>
<td>Intangible assets (including attributable goodwill)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Current assets</td>
</tr>
<tr>
<td>Inventories</td>
</tr>
<tr>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Assets disposed</td>
</tr>
<tr>
<td>Non current liabilities</td>
</tr>
<tr>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Current liabilities</td>
</tr>
<tr>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Liabilities disposed</td>
</tr>
<tr>
<td>Net assets disposed</td>
</tr>
</tbody>
</table>

Reconciliation of disposal gain:
- Cash and cash equivalents | 256.9 |
- Consideration held as restricted cash | 27.5 |
- Total consideration receivable | 284.4 |
- Proceeds deferred for ongoing issuing and transitional arrangements | (2.1) |
- Total consideration | 282.3 |
- Net assets of disposal group | (18.8) |
- Disposal costs | (15.0) |
- Gain on disposal | 248.5 |

<table>
<thead>
<tr>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash inflow arising on disposal, excluding costs</td>
</tr>
<tr>
<td>Consideration received in cash and cash equivalents</td>
</tr>
<tr>
<td>Less cash and cash equivalents disposed of</td>
</tr>
<tr>
<td>243.9</td>
</tr>
</tbody>
</table>

The gain on disposal is recognised within operating profit on the face of the Consolidated income statement.
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23. Disposal of businesses (continued)

On 7 November 2011 the Group sold its Global Business Payments operations, excluding the French business, to Western Union Incorporated for £589.7m (including an estimate of the working capital adjustment subject to finalisation under the terms of the Sale & Purchase Agreement), of which £42.0m is held in escrow. The disposal group was classified as held for sale on 22 February 2011 and was previously reported in the Group’s Global Business Payments division. Under the terms of the escrow agreement, the £42.0m held in escrow is expected to be released on 7 May 2013. The Global Business Payments operations are disclosed as discontinued operations on the Consolidated income statement.

The carrying amounts of the net assets of the business at the date of disposal were as follows:

<table>
<thead>
<tr>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non current assets</td>
</tr>
<tr>
<td>Intangible assets (including attributable goodwill)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Deferred tax asset</td>
</tr>
<tr>
<td>Current assets</td>
</tr>
<tr>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Derivative financial assets</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Assets disposed</td>
</tr>
<tr>
<td>Non current liabilities</td>
</tr>
<tr>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
</tr>
<tr>
<td>Current liabilities</td>
</tr>
<tr>
<td>Bank overdrafts</td>
</tr>
<tr>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Derivative financial liabilities</td>
</tr>
<tr>
<td>Liabilities disposed</td>
</tr>
<tr>
<td>Net assets disposed</td>
</tr>
</tbody>
</table>

Reconciliation of disposal gain:
<table>
<thead>
<tr>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Consideration held as restricted cash</td>
</tr>
<tr>
<td>Working capital adjustment estimate in other payables</td>
</tr>
<tr>
<td>Total consideration receivable</td>
</tr>
<tr>
<td>Net assets of disposal group</td>
</tr>
<tr>
<td>Disposal costs</td>
</tr>
<tr>
<td>Transfer from currency translation reserve</td>
</tr>
<tr>
<td>Gain on disposal</td>
</tr>
</tbody>
</table>

Net cash inflow arising on disposal, excluding costs
<table>
<thead>
<tr>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consideration received in cash and cash equivalents</td>
</tr>
<tr>
<td>Less cash and cash equivalents disposed of</td>
</tr>
<tr>
<td>Net cash inflow arising on disposal, excluding costs</td>
</tr>
</tbody>
</table>
23. Disposal of businesses (continued)

Profit of the Global Business Payments business until the date of disposal and for the prior year is summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>130.8</td>
<td>141.5</td>
</tr>
<tr>
<td>Expenses</td>
<td>(90.1)</td>
<td>(117.1)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>40.7</td>
<td>24.4</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(0.7)</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>40.0</td>
<td>22.5</td>
</tr>
<tr>
<td>Tax</td>
<td>(3.6)</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>36.4</td>
<td>20.2</td>
</tr>
</tbody>
</table>

There was no profit or loss from re-measurement of assets and liabilities classified as held for sale.

Cash flows generated by the Global Business Payments business for the reporting periods up to the date of disposal are summarised as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>(17.1)</td>
<td>52.5</td>
</tr>
<tr>
<td>Investing activities</td>
<td>(7.9)</td>
<td>(7.4)</td>
</tr>
<tr>
<td>Financing activities</td>
<td>(2.6)</td>
<td>-</td>
</tr>
<tr>
<td>Cash flows from discontinued operations</td>
<td>(27.6)</td>
<td>45.1</td>
</tr>
</tbody>
</table>

24. Disposal groups classified as held for sale

On 21 December 2011 the Directors agreed to sell the Group’s Asia Travel operations, which are reported in the Currency Services segment, to Westminster Travel Limited for £6.3m (HK$79.0m) in cash. The transaction is expected to close in the first half of 2012. These operations have been classified as held for sale since 12 October 2010.

On 7 November 2011 the Group disposed of its Global Business Payments division to Western Union Incorporated with the exception of the French operation which is subject to regulatory approvals and is expected to close in the summer of 2012. The French business will be sold for £3.3m in cash. These operations have been classified as held for sale since 22 February 2011.

The proceeds of the disposals are expected to exceed the book value of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

In 2010, the Group’s Card Program Management (CPM), Asia Travel and US Insurance operations were classified as held for sale. The CPM business was sold to MasterCard Incorporated on 15 April 2011. The Group is no longer seeking to sell the Insurance business and it is therefore no longer classified as held for sale.
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24. Disposal groups classified as held for sale (continued)

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>44.9</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>0.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>0.1</td>
<td>1.8</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5.4</td>
<td>16.9</td>
</tr>
<tr>
<td>Derivative financial assets</td>
<td>2.2</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3.3</td>
<td>4.7</td>
</tr>
<tr>
<td><strong>Assets classified as held for sale</strong></td>
<td><strong>11.4</strong></td>
<td><strong>70.1</strong></td>
</tr>
</tbody>
</table>

| Non current liabilities | | |
| Trade and other payables | - | (4.5) |
| Provisions | (0.1) | - |
| Current liabilities | | |
| Trade and other payables | (8.7) | (31.1) |
| Liabilities classified as held for sale | (8.8) | (35.6) |
| **Net assets of disposal group** | **2.6** | **34.5** |

The carrying values of trade and other payables are considered to be an approximation of fair value primarily as all amounts are held for less than three months.

25. Retirement benefits

The principal pension arrangements in the United Kingdom and overseas are defined contribution schemes, the assets of which are held separately from those of the Group in independently administered funds. The cost of these schemes which amounted to £5.0m (2010: £4.9m) was charged to the income statement as incurred. At the end of the year £0.2m (2010: £0.3m) of contributions were outstanding.

In addition, the Group operates one defined benefit pension scheme in the Netherlands.

The Netherlands pension scheme is open to employees over 21. The scheme rules state that the age of retirement is 65 with the retirement benefit based on average pay accrued at a rate of 2.25% of pensionable salary per year of employment. The widow’s pension is 70%, and the orphan’s pension 14%, of the retirement benefits the employee would have attained at the age of 65. Pension payments are paid by the employer, being an actuarial premium, and the employee, being 2% of the annual salary. There are no post employment medical benefits included in the scheme. The pension scheme is valued on a triennial basis by an external actuary. The latest valuation was performed in 2009.

The principal assumptions used by the actuary in the valuation of the scheme were that the rate of increase in salaries would be 2.0% (2010: 2.0%), inflation would be 2.0% (2010: 2.0%), there would be no pension increase for pensioners and deferred pensioners (2010: 0.0%) and the applicable discount rate was 5.0% (2010: 5.2%). The AG-Generation 2010–2060 mortality table was used (2010: AG-Generation 2010–2060), with an adjustment of one year for men and women.
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25. Retirement benefits (continued)

The assets (liabilities) of the scheme as at the year end and the expected rate of return, based on current market expectations, were:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed interest bonds</td>
<td>54.6</td>
<td>54.4</td>
<td>51.9</td>
<td>56.2</td>
</tr>
<tr>
<td>Expected rate of return</td>
<td>2.6%</td>
<td>3.0%</td>
<td>4.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Present value of scheme liabilities</td>
<td>(52.8)</td>
<td>(50.8)</td>
<td>(50.0)</td>
<td>(51.7)</td>
</tr>
<tr>
<td>Surplus in scheme</td>
<td>1.8</td>
<td>3.6</td>
<td>1.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Analysis of amounts recognised in statement of comprehensive income:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual return less expected return on pension scheme assets</td>
<td>1.1</td>
<td>2.3</td>
<td>(1.8)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>(Losses) gains arising on the scheme liabilities</td>
<td>(1.9)</td>
<td>(1.1)</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assumptions underlying the plan liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>Actuarial (loss) gain recognised in statement of comprehensive income</td>
<td>(0.8)</td>
<td>1.2</td>
<td>(1.6)</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

The cumulative actuarial gains and losses recognised in the statement of comprehensive income at 31 December 2011 were £(2.2)m (2010: £(1.4)m, 2009: £(2.6)m). The Group expects to make £1.4m of contributions to the scheme in 2012. The actual return on plan assets was £2.8m (2010: £4.4m).

Analysis of the amount (credited) debited to other finance costs:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on pension scheme assets</td>
<td>1.7</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Interest cost on pension scheme liabilities</td>
<td>(2.6)</td>
<td>(2.6)</td>
<td>(2.7)</td>
</tr>
<tr>
<td></td>
<td>(0.9)</td>
<td>(0.5)</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

Included within net operating expenses is £0.8m (2010: £0.5m) in respect of current service costs and £nil (2010: £nil) in respect of curtailments.

The actual return less expected return on the pension schemes' assets as a percentage of the schemes' assets was 2.1% (2010: 4.2%). The experience gains and losses arising on the schemes' liabilities as a percentage of the present value of the scheme's liabilities was 3.6% (2010: 2.1%). The actuarial loss recognised in the statement of comprehensive income as a percentage of the present value of the schemes' liabilities was 1.5% (2010: 2.3% gain).
25. Retirement benefits (continued)

Reconciliation of the defined benefit schemes assets and obligations:

<table>
<thead>
<tr>
<th>£m</th>
<th>Asset</th>
<th>Obligation</th>
<th>2011 Total</th>
<th>Asset</th>
<th>Obligation</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January</td>
<td>54.4</td>
<td>(50.8)</td>
<td>3.6</td>
<td>51.9</td>
<td>(50.0)</td>
<td>1.9</td>
</tr>
<tr>
<td>Current service cost</td>
<td>-</td>
<td>(0.6)</td>
<td>(0.6)</td>
<td>-</td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Expected return on pension scheme assets</td>
<td>1.7</td>
<td>-</td>
<td>1.7</td>
<td>2.1</td>
<td>-</td>
<td>2.1</td>
</tr>
<tr>
<td>Interest cost on pension scheme liabilities</td>
<td>-</td>
<td>(2.6)</td>
<td>(2.6)</td>
<td>-</td>
<td>(2.6)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Actuarial gain (loss)</td>
<td>1.1</td>
<td>(1.9)</td>
<td>(0.8)</td>
<td>2.3</td>
<td>(1.1)</td>
<td>1.2</td>
</tr>
<tr>
<td>Contributions by the Group</td>
<td>0.9</td>
<td>-</td>
<td>0.9</td>
<td>1.8</td>
<td>-</td>
<td>1.8</td>
</tr>
<tr>
<td>Contributions by scheme participants</td>
<td>0.3</td>
<td>(0.3)</td>
<td>-</td>
<td>0.3</td>
<td>(0.3)</td>
<td>-</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(2.4)</td>
<td>2.0</td>
<td>(0.4)</td>
<td>(2.2)</td>
<td>1.9</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(1.4)</td>
<td>1.4</td>
<td>-</td>
<td>(1.8)</td>
<td>1.8</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December</td>
<td>54.6</td>
<td>(52.8)</td>
<td>1.8</td>
<td>54.4</td>
<td>(50.8)</td>
<td>3.6</td>
</tr>
</tbody>
</table>

26. Cash generated from operating activities

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>484.7</td>
<td>61.2</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>18.1</td>
<td>32.9</td>
</tr>
<tr>
<td>Impairment of equity accounted investments and goodwill</td>
<td>8.1</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal of property plant and equipment</td>
<td>1.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Profit on disposal of businesses</td>
<td>(435.6)</td>
<td>-</td>
</tr>
<tr>
<td>Share based employee remuneration</td>
<td>7.0</td>
<td>4.9</td>
</tr>
<tr>
<td>Difference between the net pension charge and cash contributions</td>
<td>(0.3)</td>
<td>(1.3)</td>
</tr>
<tr>
<td></td>
<td>83.6</td>
<td>97.9</td>
</tr>
<tr>
<td>Decrease (Increase) in inventories</td>
<td>0.1</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Increase in trade and other receivables</td>
<td>(32.1)</td>
<td>(29.7)</td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>29.9</td>
<td>46.1</td>
</tr>
<tr>
<td>Decrease in travellers’ cheques awaiting redemption</td>
<td>(35.9)</td>
<td>(33.9)</td>
</tr>
<tr>
<td>Increase in Cash Passports awaiting redemption</td>
<td>15.6</td>
<td>19.3</td>
</tr>
<tr>
<td>Decrease in structured deposits</td>
<td>11.5</td>
<td>7.7</td>
</tr>
<tr>
<td>Cash interest income received</td>
<td>(2.1)</td>
<td>(3.5)</td>
</tr>
<tr>
<td>(Increase) decrease in float deposits</td>
<td>(0.3)</td>
<td>39.8</td>
</tr>
<tr>
<td>Foreign exchange translation differences</td>
<td>14.9</td>
<td>9.9</td>
</tr>
<tr>
<td>Cash generated from operating activities</td>
<td>85.2</td>
<td>152.9</td>
</tr>
</tbody>
</table>
27. Share capital

The share capital of the Company is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>£m</td>
<td>Number</td>
<td>£m</td>
</tr>
<tr>
<td>A Ordinary shares of 1p each</td>
<td>22,500,000</td>
<td>0.2</td>
<td>22,500,000</td>
<td>0.2</td>
</tr>
<tr>
<td>B Ordinary shares of 1p each</td>
<td>390,740</td>
<td>-</td>
<td>390,740</td>
<td>-</td>
</tr>
<tr>
<td>C Ordinary shares of 1p each</td>
<td>275,676</td>
<td>-</td>
<td>275,676</td>
<td>-</td>
</tr>
<tr>
<td>D Ordinary shares of 1p each</td>
<td>406,800</td>
<td>-</td>
<td>406,800</td>
<td>-</td>
</tr>
<tr>
<td>M Ordinary shares of 1p each</td>
<td>55,440</td>
<td>-</td>
<td>89,670</td>
<td>-</td>
</tr>
<tr>
<td>Deferred ordinary shares of 1p each</td>
<td>5,261,019</td>
<td>0.1</td>
<td>5,226,789</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>28,889,675</td>
<td>0.3</td>
<td>28,889,675</td>
<td>0.3</td>
</tr>
</tbody>
</table>

The A and B ordinary shares rank pari passu in all significant respects. The C and D ordinary shares do not carry voting rights and holders can only receive dividends no greater than one third of those paid to the holders of the A and B ordinary shares. In addition, dividends paid to the holders of the C and D ordinary shares require the approval of both the shareholders and the Board of Directors. If the Group is acquired by a third party or is subject to an initial public offering the A and B ordinary shares will be converted into new ordinary shares on a one for one basis. The C ordinary shares will convert into new ordinary shares and deferred shares on the basis of a multiplier based on the exit value of the business. The D ordinary shares will convert into deferred shares and vest on the basis of a multiplier based on the exit value of the business. The M ordinary shares do not carry any voting or dividend rights but allow shareholders to receive in total one-ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital.

All B, C, D and M ordinary shares which are not allocated automatically convert into deferred ordinary shares. Deferred ordinary shares carry no voting rights and can be converted back into B, C, D and M ordinary shares should they be allocated.
Travelex Holdings Limited  
Consolidated financial statements  
Notes to the financial statements  
for the year ended 31 December 2011

28. Reserves

The movement on Group reserves is as follows:

<table>
<thead>
<tr>
<th>£m</th>
<th>Share capital</th>
<th>Share premium account</th>
<th>Retained earnings</th>
<th>Translation reserve</th>
<th>Non controlling interest</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2010</td>
<td>0.3</td>
<td>26.0</td>
<td>(822.2)</td>
<td>(10.3)</td>
<td>1.8</td>
<td>(804.4)</td>
</tr>
<tr>
<td>Total recognised income and expense</td>
<td>-</td>
<td>-</td>
<td>(57.3)</td>
<td>(7.4)</td>
<td>0.5</td>
<td>(64.2)</td>
</tr>
<tr>
<td>Acquisition</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Share based employee remuneration</td>
<td>-</td>
<td>-</td>
<td>4.9</td>
<td>-</td>
<td>-</td>
<td>4.9</td>
</tr>
<tr>
<td>Net investment in own shares</td>
<td>-</td>
<td>-</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>(0.5)</td>
</tr>
<tr>
<td>New share capital subscribed</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>0.3</td>
<td>26.5</td>
<td>(875.1)</td>
<td>(17.7)</td>
<td>3.0</td>
<td>(863.0)</td>
</tr>
<tr>
<td>Total recognised income and expense</td>
<td>-</td>
<td>-</td>
<td>378.1</td>
<td>2.7</td>
<td>1.8</td>
<td>382.6</td>
</tr>
<tr>
<td>Recycling of exchange differences on disposal of business</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10.1</td>
<td>-</td>
<td>10.1</td>
</tr>
<tr>
<td>Net investment in own shares</td>
<td>-</td>
<td>-</td>
<td>(3.2)</td>
<td>-</td>
<td>-</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Share based employee remuneration</td>
<td>-</td>
<td>-</td>
<td>(2.4)</td>
<td>-</td>
<td>-</td>
<td>(2.4)</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>0.3</td>
<td>26.5</td>
<td>(502.6)</td>
<td>(4.9)</td>
<td>4.8</td>
<td>(475.9)</td>
</tr>
</tbody>
</table>

Retained earnings includes the following reserves:

<table>
<thead>
<tr>
<th>£m</th>
<th>Cash flow hedge reserve</th>
<th>Available for sale financial assets</th>
<th>Defined benefit pension reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2010</td>
<td>(6.8)</td>
<td>0.9</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Current year gain (loss)</td>
<td>10.2</td>
<td>(0.3)</td>
<td>-</td>
</tr>
<tr>
<td>Reclassification to profit and loss</td>
<td>(4.7)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Actuarial movement on pension scheme</td>
<td>-</td>
<td>-</td>
<td>1.2</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(1.4)</td>
<td>0.1</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(0.4)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>(3.1)</td>
<td>0.7</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Current year gain (loss)</td>
<td>7.0</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Reclassification to profit and loss</td>
<td>(1.4)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Actuarial movement on pension scheme</td>
<td>-</td>
<td>-</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(2.4)</td>
<td>(0.1)</td>
<td>0.2</td>
</tr>
<tr>
<td>Exchange adjustments</td>
<td>(0.1)</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>-</td>
<td>1.0</td>
<td>(2.6)</td>
</tr>
</tbody>
</table>
Travelex Holdings Limited  
Consolidated financial statements  
Notes to the financial statements  
for the year ended 31 December 2011

28. Reserves (continued)

Share capital is determined using the nominal value of shares that have been issued. The share premium account includes premiums received on the initial issuing of the share capital. Retained earnings are the accumulated retained losses of the Group. The translation reserve records exchange differences on consolidation of foreign subsidiaries.

At the end of the year 1,600,510 (2010: 1,600,510) B ordinary shares, 235,050 (2010: 235,050) C ordinary shares, 1,021,749 (2010: 1,021,749) D ordinary shares and 82,650 (2010: 83,500) M ordinary shares were held by Travelex Employee Share Trusts at a cost of £1.6m (2010: £1.6m), £nil (2010: £nil), £0.3m (2010: £0.3m) and £3.7m (2010: £0.4m) respectively. This is held within retained earnings. Members of the Group’s senior management team may be invited to subscribe for the unallocated shares.

29. Obligations under non-cancellable operating leases

The Group’s future minimum operating lease payments under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011 Land and buildings</th>
<th>2011 Other</th>
<th>2011 Total</th>
<th>2010 Land and buildings</th>
<th>2010 Other</th>
<th>2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>129.7</td>
<td>0.3</td>
<td>130.0</td>
<td>124.5</td>
<td>0.3</td>
<td>124.8</td>
</tr>
<tr>
<td>Due between one and five years</td>
<td>307.2</td>
<td>0.4</td>
<td>307.6</td>
<td>303.0</td>
<td>0.6</td>
<td>303.6</td>
</tr>
<tr>
<td>Due after five years</td>
<td>78.2</td>
<td>0.1</td>
<td>78.3</td>
<td>62.8</td>
<td>0.1</td>
<td>62.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>515.1</strong></td>
<td><strong>0.8</strong></td>
<td><strong>515.9</strong></td>
<td><strong>490.3</strong></td>
<td><strong>1.0</strong></td>
<td><strong>491.3</strong></td>
</tr>
</tbody>
</table>

Land and buildings held under operating leases include shops at airport locations. These arrangements typically include a fixed amount payable each year, plus a contingent element payable based on passenger numbers. A number of leases permit the Group 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 leases held by the Group.

30. Related party transactions

Key management compensation

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term employee benefits</td>
<td>7.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Share based employee remuneration</td>
<td>2.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9.9</strong></td>
<td><strong>5.1</strong></td>
</tr>
</tbody>
</table>

Key management in the table above are the members of the Group’s Executive Committee and exclude Directors of the Company whose emoluments are disclosed in Note 6.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

30. Related party transactions (continued)

Transactions with entities with significant influence over Travelex Holdings Limited

During the year the Group paid fees amounting to £50,000 (2010: £50,000) to Apax Europe VI (Apax Partners) for the services of J Ruane and M Phillips. Fees paid in 2010 also included the services of M Ransford.

During the year the Group paid £113,500 (2010: £218,000) to Esselco LLP, a company owned by L M Dorfman, for services provided to the Group.

The Group has outstanding loans with certain companies and key management. These loans are recorded as a component of term loans in these financial statements using an effective interest rate methodology. The loans and related interest are presented below based on contractual amounts due to be paid rather than the effective interest methodology within the financial statements.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance outstanding</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds advised and managed by Apax Partners</td>
<td>415.4</td>
<td>377.6</td>
</tr>
<tr>
<td>L M Dorfman</td>
<td>293.7</td>
<td>267.0</td>
</tr>
<tr>
<td>Other key management</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>712.4</td>
<td>647.6</td>
</tr>
<tr>
<td><strong>Interest charged</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds advised and managed by Apax Partners</td>
<td>37.8</td>
<td>34.3</td>
</tr>
<tr>
<td>L M Dorfman</td>
<td>26.7</td>
<td>24.3</td>
</tr>
<tr>
<td>Other key management</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>64.8</td>
<td>58.9</td>
</tr>
</tbody>
</table>

Transactions with joint ventures

Trading balances of £5.0m (2010: £2.4m) are owed to Travelex Currency Services Limited by the Group at the year end. Management fees of £2.3m (2010: £2.7m) have been charged to the Group in the year.

Trading balances of £0.9m, £1.7m and £0.2m are owed to the Group by Travelex Emirates LLC, FX Africa Foreign Exchange Pty Limited and Travelex Malaysia Sdn Bhd Limited respectively.

The Group has a loan receivable of £1.7m from FX Africa Foreign Exchange (Propriety) Limited, repayable at the discretion of the FX Africa board and bearing no interest. This loan is also repayable if there is an imbalance between amounts owed to shareholders in excess of ZAR 5,000,000 with interest payable at 2% on the outstanding value of the loan.

Other related party transactions

Certain Directors and key management have participated in the Group’s long term incentive plan and are eligible to receive loans in order to allow them to participate in this plan. As at 31 December 2011, the balances held by J P Jackson, Lord Stevens and P A Hodkinson were £100,300, £2,500 and £2,500 respectively (2010: £nil, £2,500 and £2,500 respectively). The total amount of the loans to key management was £283,710 (2010: £175,900).

Directors and staff occasionally transact with subsidiary undertakings of the Company, primarily with regard to the provision of foreign currency or foreign currency payment transactions. These transactions are normally undertaken at a discount to normal commercial terms. The Board has considered the financial effect of these transactions with Group companies and has concluded that they are not material to the Group or the individuals concerned.
Travelex Holdings Limited
Consolidated financial statements
Notes to the financial statements
for the year ended 31 December 2011

31. Contingent liabilities

A bank letter of credit for £50.0m (2010: £50.0m) has been issued on behalf of Travelex guaranteeing
the performance of the travellers' cheques business in fulfilling encashments. As permitted by IAS 39 the
Directors have adopted the recognition and derecognition of financial instruments principles from 1
January 2004. Travellers’ cheques issued by the Group prior to 1 January 2004 which the Directors
believed, as at 1 January 2004, would not be encashed have been derecognised in these financial
statements from the balance of travellers' cheques awaiting redemption amounting to £148.1m (2010:
£147.8m).

As at the balance sheet date a total of £22.6m (2010: £29.4m) of bank guarantees (including
performance guarantees) have been issued on behalf of the Group. In addition £36.0m (2010: £65.5m)
of surety guarantees have been issued to certain states in the US on behalf of the Group.

Contingent liabilities in relation to the acquisition of Grupo CONFIDE in Brazil are disclosed in Note 22.

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

32. Principal subsidiary undertakings and joint ventures

The principal subsidiary undertakings and joint ventures of the Group are shown below. All are wholly
owned, except where stated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelex Limited</td>
<td>Australia</td>
</tr>
<tr>
<td>TP Financing 1 Limited</td>
<td>Jersey</td>
</tr>
<tr>
<td>TP Financing 2 Limited</td>
<td>Jersey</td>
</tr>
<tr>
<td>TP Financing 4 Limited</td>
<td>Jersey</td>
</tr>
<tr>
<td>Travelex Do Brasil Holding Societaria Ltda</td>
<td>Brazil</td>
</tr>
<tr>
<td>Travelex Canada Limited</td>
<td>Canada</td>
</tr>
<tr>
<td>Travelex UK Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Travelex Agency Services Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Travelex Banknotes Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Interpayment Services Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Travelex Global and Financial Services Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Travelex Currency Services Limited (80% owned)</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Travelex Central Services Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Travelex Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>Banque Travelex SA</td>
<td>France</td>
</tr>
<tr>
<td>Travelex Currency Exchange Limited</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>GWK Travelex NV</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Travelex Japan KK</td>
<td>Japan</td>
</tr>
<tr>
<td>Travelex Currency Services Inc</td>
<td>USA</td>
</tr>
<tr>
<td>Travelex Inc</td>
<td>USA</td>
</tr>
<tr>
<td>Travelex Insurance Services Inc</td>
<td>USA</td>
</tr>
</tbody>
</table>
Travelex Holdings Limited
Company financial statements
Balance Sheet
as at 31 December 2011

<table>
<thead>
<tr>
<th>£m</th>
<th>Note</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>4</td>
<td>5.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>0.4</td>
<td>-</td>
</tr>
<tr>
<td>Creditors - amounts falling due within one year</td>
<td>5</td>
<td>(30.2)</td>
<td>(18.1)</td>
</tr>
<tr>
<td>Net current liabilities</td>
<td></td>
<td>(24.4)</td>
<td>(15.7)</td>
</tr>
<tr>
<td>Creditors - amounts falling due after more than one year</td>
<td>6</td>
<td>(133.4)</td>
<td>(112.7)</td>
</tr>
<tr>
<td>Net liabilities</td>
<td></td>
<td>(157.8)</td>
<td>(128.4)</td>
</tr>
</tbody>
</table>

Capital and reserves
Share capital | 7    | 0.3    | 0.3    |
Share premium account | 8    | 26.5   | 26.5   |
Profit and loss reserve | 8    | (184.6)| (155.2)|
Total equity shareholders deficit | | (157.8)| (128.4)|

A statement of total recognised gains or losses has not been presented as all gains and losses are reflected in the profit and loss account.

The financial statements were approved by the Board of Directors on 23 March 2012 and were signed on its behalf by:

J P Jackson
Director

M D Ball
Director
1. Accounting policies

Basis of preparation

These financial statements have been prepared under United Kingdom Generally Accepted Accounting Principles (UK GAAP) under the historical cost convention. The functional and presentational currency of the Company is Sterling.

The Company is exempt from the disclosure requirements of FRS 29 'Financial instruments: Disclosures' and has not prepared a cashflow statement in accordance with FRS 1 'Cashflow statements' on the grounds that it prepares consolidated financial statements, in which the results and net assets of the Company are included. These consolidated financial statements are publicly available.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

Deferred taxation

In accordance with FRS 19, 'Deferred Tax', full provision is made for deferred tax liabilities arising from timing differences due to the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the average tax rates that are expected to apply when the timing differences are expected to reverse. This provision is not discounted. No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a binding commitment to dispose of the assets at the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is not provided on unremitted earnings of overseas subsidiaries where dividends have not been accrued as receivable or where there is no binding agreement for the overseas subsidiary to remit those earnings.

Foreign currencies

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

Financial instruments

Loans and receivables are non-derivative unquoted financial assets with fixed and determinable payments. Loans and receivables are measured at amortised cost using the effective interest rate method. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and defaults in payment are considered an indication that the receivable is impaired. The carrying amount of the asset is reduced and the amount of the provision is recognised in the profit and loss account.

All non-derivative financial liabilities are designated as other financial liabilities. These are initially recorded at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

In accordance with FRS 26 'Financial instruments: recognition and measurement', interest bearing loans are recognised initially in the balance sheet at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing loans are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the period of the borrowings calculated using the effective interest rate method. The effective interest rate is the rate that discounts the estimated future cash payments over the expected life of the loans to the net carrying amount of the loans.
Travelex Holdings Limited
Company financial statements
Notes to the Company financial statements
for the year ended 31 December 2011

1. Accounting policies (continued)

Where there are changes to the Company's estimation of the future cash flows attributable to loans and receivables and other financial liabilities, the new estimated cash flows are discounted at the original effective interest rate established at the time the assets or liabilities were initially recorded, with any resulting gain or loss taken to the profit and loss account.

Share based employee remuneration

Cash settled share based payments to employees and others providing similar services are remeasured at the fair value at each reporting date. The fair value excludes the effect of non market based vesting conditions. Details regarding the determination of the fair value of cash settled share based transactions are set out in Note 6 of the Group's consolidated financial statements.

Where the service related to the award is provided within the Company fair value determined at the reporting date is expensed on a straight line basis over the vesting period, with a corresponding liability on the balance sheet. Where the service is provided to the subsidiaries of the Company, an increase in the cost of investment in the subsidiary is recognised with a corresponding liability on the balance sheet.

Unallocated or repurchased shares held by the employee share trust are included within retained earnings.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

i. They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

ii. Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or it is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2. Profit and loss account

As permitted under section 408 of the Companies Act 2006 applicable to all companies reporting under UK GAAP, the Directors have not presented a profit and loss account for the Company. The Company made a loss after taxation of £23.8m in the year (2010: £19.2m).
Travelex Holdings Limited
Company financial statements
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for the year ended 31 December 2011

3. Fixed asset investments

The Company holds the entire share capital of TP Financing 0 Limited, a company incorporated in
Jersey, with a cost of £85.4m (2010: £85.4m) and a net book value of £nil (2010: £nil).

During the year, the Company made investments in various subsidiaries of £3.1m which have been
fully impaired.

The principal subsidiaries of the Company, which are subsidiaries of TP 0 Financing Limited, are set
out in Note 32 of the Group’s consolidated financial statements.

4. Current assets

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group relief receivable</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Amounts due from subsidiary undertakings</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Other debtors</td>
<td>3.3</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>5.4</td>
<td>2.4</td>
</tr>
</tbody>
</table>

5. Creditors – amounts falling due within one year

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts due to subsidiary undertakings</td>
<td>30.2</td>
<td>18.0</td>
</tr>
<tr>
<td>Other creditors</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>30.2</td>
<td>18.1</td>
</tr>
</tbody>
</table>

6. Creditors – amounts falling due after more than one year

<table>
<thead>
<tr>
<th>£m</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share based payments</td>
<td>9.4</td>
<td>-</td>
</tr>
<tr>
<td>Preference shares classified as liabilities</td>
<td>124.0</td>
<td>112.7</td>
</tr>
<tr>
<td></td>
<td>133.4</td>
<td>112.7</td>
</tr>
</tbody>
</table>

Creditors falling due after more than one year include preference shares classified as liabilities of
£124.0m (2010: £112.7m) based upon the expected maturity of more than five years. Included within
the balance is £62.7m (2010: £51.4m) relating to unpaid finance costs on preference shares which will
be settled in more than one year.

Preference share capital

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2011</th>
<th>2010</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>£m</td>
<td>Number</td>
<td>£m</td>
<td></td>
</tr>
<tr>
<td>10.0% cumulative preference shares of £1 each</td>
<td>61,287,636</td>
<td>61.3</td>
<td>61,287,636</td>
<td>61.3</td>
</tr>
</tbody>
</table>

The 10.0% cumulative preference shares do not carry voting rights and are redeemable on 2 August
2020, on sale of the Company, or at any time upon the Company giving 10 days written notice to the
holders. Shareholders are entitled to receive dividends at 10.0% per annum on the par value of these
shares on a cumulative basis. Any preference dividend that is due and remains unpaid is entitled to
10.0% interest per annum until the date of actual payment. On winding up, the preference
shareholders rank above ordinary shareholders and are entitled to receive £1 per share and any
dividends accrued but unpaid in respect of their shares.
Travelex Holdings Limited
Company financial statements
Notes to the Company financial statements
for the year ended 31 December 2011

7. Share capital

The share capital of the Company is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>£m</td>
</tr>
<tr>
<td>A Ordinary shares of 1p each</td>
<td>22,500,000</td>
<td>0.2</td>
</tr>
<tr>
<td>B Ordinary shares of 1p each</td>
<td>390,740</td>
<td>-</td>
</tr>
<tr>
<td>C Ordinary shares of 1p each</td>
<td>275,676</td>
<td>-</td>
</tr>
<tr>
<td>D Ordinary shares of 1p each</td>
<td>406,800</td>
<td>-</td>
</tr>
<tr>
<td>M Ordinary shares of 1p each</td>
<td>55,440</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Ordinary shares of 1p each</td>
<td>5,261,019</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>28,889,675</td>
<td>0.3</td>
</tr>
</tbody>
</table>

The A and B ordinary shares rank pari passu in all significant respects. The C and D ordinary shares do not carry voting rights and holders can only receive dividends no greater than one third of those paid to the holders of the A and B ordinary shares. In addition, dividends paid to the holders of the C and D ordinary shares require the approval of both the shareholders and the Board of Directors. If the Group is acquired by a third party or is subject to an initial public offering the A and B ordinary shares will be converted into new ordinary shares on a one for one basis. The C ordinary shares will convert into new ordinary shares and deferred shares on the basis of a multiplier based on the exit value of the business. The D ordinary shares will convert into deferred shares and vest on the basis of a multiplier based on the exit value of the business. The M ordinary Shares do not carry any voting or dividend rights but allow shareholders to receive in total one-ninth of the aggregate amount paid or payable to the TP Loan Note Holders, or holders of the Primary Ordinary Shares or Preference Shares by way of dividend or otherwise upon the return of capital on liquidation, reduction of capital or other return of capital.

All B, C, D and M ordinary shares which are not allocated automatically convert into deferred ordinary shares. Deferred ordinary shares carry no voting rights and can be converted back into B, C, D and M ordinary shares should they be allocated.

8. Reserves

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>Profit and loss account</th>
<th>Share premium account</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 January 2011</td>
<td></td>
<td>(155.2)</td>
<td>26.5</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td>(23.8)</td>
<td>-</td>
</tr>
<tr>
<td>Net investment in own shares</td>
<td></td>
<td>(3.2)</td>
<td>-</td>
</tr>
<tr>
<td>Share based payments</td>
<td></td>
<td>(2.4)</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td></td>
<td>(184.6)</td>
<td>26.5</td>
</tr>
</tbody>
</table>
8. Reserves (continued)

At the end of the year 1,600,510 (2010: 1,600,510) B ordinary shares, 235,050 (2010: 235,050) C ordinary shares, 1,021,749 (2010: 1,021,749) D ordinary shares and 82,650 (2010: 83,500) M ordinary shares were held by Travelex Employee Share Trusts at a cost of £1.6m (2010: £1.6m), £nil (2010: £nil), £0.3m (2010: £0.3m) and £3.7m (2010: £0.4m) respectively. This is held within retained earnings. Members of the Group’s senior management team may be invited to subscribe for the unallocated shares.

Details of related party transactions are set out in Note 30 of the Group’s consolidated financial statements.