Registered number 5356574

Travelex Holdings Limited

Unaudited interim condensed consolidated financial statements
for the half year ended 30 June 2018

Travelex Holdings Limited
Unaudited interim condensed consolidated income statement
for the half year ended 30 June 2018

Second quarter 2017	**Second quarter 2018**	**£m**	Note	**Half year ended 30 June 2018**	Half year ended 30 June 2017
		Continuing operations			
183.8	**184.9**	Revenue		**341.3**	341.9
(112.9)	**(110.4)**	Cost of sales		**(214.3)**	(216.8)
70.9	**74.5**	Gross profit		**127.0**	125.1
(63.1)	**(54.5)**	Net operating expense		**(107.2)**	(118.7)
		Analysed as:			
(54.7)	**(54.4)**	Underlying net operating expense		**(105.8)**	(107.0)
-	**-**	Net gain on acquisitions and disposals	3	**-**	1.6
(8.4)	**(0.1)**	Net non-underlying adjustments	3	**(1.4)**	(13.3)
(63.1)	**(54.5)**	Net operating expense		**(107.2)**	(118.7)
7.8	**20.0**	Operating profit before depreciation, amortisation, interest and tax		**19.8**	6.4
		Analysed as:			
16.2	**20.1**	Underlying EBITDA		**21.2**	18.1
-	**-**	Net gain on acquisitions and disposals	3	**-**	1.6
(8.4)	**(0.1)**	Net non-underlying adjustments	3	**(1.4)**	(13.3)
7.8	**20.0**	Operating profit before depreciation, amortisation, interest and tax		**19.8**	6.4
(3.6)	**(3.1)**	Depreciation		**(6.1)**	(7.3)
(4.7)	**(4.3)**	Amortisation	5	**(8.7)**	(8.6)
(0.5)	**12.6**	Operating profit/(loss)		**5.0**	(9.5)
(1.7)	**(3.3)**	Finance income	4	**3.4**	1.6
(45.4)	**(31.6)**	Finance costs	4	**(62.6)**	(77.1)
0.9	**1.0**	Share of profit in equity accounted investments		**1.6**	1.4
(46.7)	**(21.3)**	Loss before tax		**(52.6)**	(83.6)
(4.3)	**(3.8)**	Tax charge		**(5.8)**	(4.4)
(51.0)	**(25.1)**	Loss for the period		**(58.4)**	(88.0)

		Loss for the period attributable to		
1.1	**1.4**	Non controlling interests	**2.9**	2.4
(52.1)	**(26.5)**	Owners of the parent	**(61.3)**	(90.4)
(51.0)	**(25.1)**		**(58.4)**	(88.0)

Travelex Holdings Limited
Unaudited interim consolidated statement of other comprehensive income
for the half year ended 30 June 2018

Second quarter 2017	**Second quarter 2018**	**£m**	**Half year ended 30 June 2018**	Half year ended 30 June 2017
		Items that may be subsequently reclassified to the income statement:		
(4.2)	**(7.4)**	Exchange differences on overseas subsidiaries	**(10.7)**	(5.1)
0.2	**-**	Available for sale investments	**-**	0.7
		Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
-	**-**	Movement on unrecognised gain on financial assets held at fair value through other comprehensive income (OCI)	**0.2**	-
(51.0)	**(25.1)**	Loss for the period	**(58.4)**	(88.0)
(55.0)	**(32.5)**	Total comprehensive loss for the period	**(68.9)**	(92.4)
		Attributable to		
1.1	**1.4**	Non-controlling interests	**2.9**	2.4
(56.1)	**(33.9)**	Equity holders of the parent	**(71.8)**	(94.8)
(55.0)	**(32.5)**	Total comprehensive loss for the period	**(68.9)**	(92.4)

Travelex Holdings Limited
Unaudited interim consolidated statement of changes in equity
for the half year ended 30 June 2018

£m	Note	Share capital	Share premium account	Retained earnings	Translation reserve	Non controlling interests	Total equity
At 1 January 2017		**0.3**	**342.0**	**(842.1)**	**(80.6)**	**18.0**	**(562.4)**
Total comprehensive loss		-	-	(89.7)	(5.1)	2.4	**(92.4)**
Dividends paid to non-controlling interest		-	-	-	-	(2.8)	**(2.8)**
Redemption of shares		-	-	-	-	(0.2)	**(0.2)**
Reorganisation of shareholder debt		-	-	(75.3)	-	-	**(75.3)**
Other changes in equity		-	-	-	0.8	(0.8)	**-**
At 30 June 2017		**0.3**	**342.0**	**(1,007.1)**	**(84.9)**	**16.6**	**(733.1)**
Total comprehensive loss		-	-	(55.9)	(5.1)	3.3	**(57.7)**
Dividends paid to non-controlling interest		-	-	-	-	(1.4)	**(1.4)**
Exchange adjustment		-	-	-	0.8	(0.8)	**-**
At 31 December 2017		**0.3**	**342.0**	**(1,063.0)**	**(89.2)**	**17.7**	**(792.2)**
Total comprehensive loss		-	-	(61.1)	(10.7)	2.9	**(68.9)**
Dividends paid to non-controlling interest		-	-	-	-	(3.6)	**(3.6)**
Redemption of shares		-	-	-	-	(0.1)	**(0.1)**
Exchange adjustment		-	-	-	(0.1)	0.1	**-**
At 30 June 2018		**0.3**	**342.0**	**(1,124.1)**	**(100.0)**	**17.0**	**(864.8)**

The notes on pages 6 to 25 form an integral part of these financial statements.

Travelex Holdings Limited
Unaudited interim consolidated balance sheet
as at 30 June 2018

£m	Note	30 June 2018	31 December 2017
Non current assets			
Intangible assets	5	**365.8**	375.0
Property, plant and equipment		**37.1**	41.2
Investments accounted for using the equity method		**15.1**	13.2
Investments		**15.9**	17.6
Financial assets		**78.7**	81.1
Trade and other receivables	6	**23.1**	21.9
Deferred tax assets		**7.4**	6.6
		543.1	556.6
Current assets			
Inventories		**0.7**	0.7
Trade and other receivables	6	**133.6**	216.0
Investments		**2.5**	2.0
Financial assets		**5.5**	5.9
Available for sale investments		**-**	12.8
Financial assets held at FV through OCI		**12.3**	-
Tax receivable		**2.0**	3.2
Derivative financial assets		**2.3**	2.0
Cash and cash equivalents	7	**603.2**	530.3
		762.1	772.9
Current liabilities			
Trade and other payables	8	**(753.9)**	(792.8)
Borrowings	9	**(70.3)**	(26.6)
Tax payable		**(6.1)**	(4.3)
Provisions	12	**(3.2)**	(7.5)
Derivative financial liabilities		**(2.7)**	(2.3)
Net current liabilities		**(74.1)**	(60.6)
Non-current liabilities			
Trade and other payables	8	**(0.5)**	(0.6)
Borrowings	9	**(1,319.7)**	(1,269.0)
Provisions	12	**(9.6)**	(14.2)
Deferred tax liabilities		**(4.0)**	(4.4)
Non-current liabilities		**(1,333.8)**	(1,288.2)
Net liabilities		**(864.8)**	(792.2)
Equity			
Share capital		**0.3**	0.3
Share premium account		**342.0**	342.0
Retained earnings		**(1,124.1)**	(1,063.0)
Translation reserve		**(100.0)**	(89.2)
Equity attributable to owners of the parent		**(881.8)**	(809.9)
Non controlling interests		**17.0**	17.7
Total equity		**(864.8)**	(792.2)

The interim financial information was approved by the Board of Directors on 29 August 2018 and was signed on its behalf by:

A F D'Souza (Director)

Travelex Holdings Limited
Unaudited interim consolidated cash flow statement
for the half year ended 30 June 2018

£m		**Half year ended 30 June 2018**	Half year ended 30 June 2017
Cash flows from operating activities			
Cash generated from operations	13	**62.3**	307.9
Taxation paid		**(3.8)**	(15.9)
		58.5	292.0
Cash flows from investing activities			
Interest received		**0.4**	1.6
Purchase of property, plant, equipment, software and development expenditure		**(16.5)**	(14.2)
Proceeds from sale of property, plant, equipment and software		**-**	0.3
Proceeds/(Purchase) of government and corporate bonds held in Brazil		**0.9**	(6.4)
Acquisition of business net of cash acquired		**-**	(1.8)
		(15.2)	(20.5)
Cash flows from financing activities			
Interest paid on senior secured notes and short term borrowings		**(13.8)**	(15.9)
Loan from shareholder		**3.8**	38.1
Repurchase of bonds		**-**	(38.9)
Bond redemption fee and fees incurred due to bond refinancing		**-**	(8.4)
Dividends paid to non-controlling interests		**(3.1)**	(2.5)
Capital element of finance lease payments		**-**	(0.1)
		(13.1)	(27.7)
Exchange gain on cash and cash equivalents and bank overdrafts		**(1.0)**	(13.7)
Net increase in cash and cash equivalents and bank overdrafts		**29.2**	230.1
Cash, cash equivalents and bank overdrafts at the beginning of the period		**503.7**	560.3
Cash, cash equivalents and bank overdrafts at the end of the period		**532.9**	790.4

		30 June 2018	30 June 2017
Comprising as at 30 June:			
Cash and cash equivalents	7	**603.2**	845.9
Short term bank loan and overdrafts	9	**(70.3)**	(55.5)
		532.9	790.4

		31 December 2017	31 December 2016
Comprising as at 31 December:			
Cash and cash equivalents	7	**530.3**	577.9
Short term bank loan and overdrafts	9	**(26.6)**	(17.6)
		503.7	560.3

1. Accounting policies

General information

BRS Ventures & Holdings Limited is Travelex Holdings Limited and its subsidiaries' (the Group) ultimate parent company. It is incorporated and domiciled in the British Virgin Islands. The registered office and principal place of business of Travelex Holdings Limited (the Company) is 4th Floor, Kings Place, 90 York Way, London, N1 9AG.

Basis of preparation

The condensed interim consolidated financial statements of the Group have been prepared in compliance with IAS 34, and should be read in conjunction with the annual report and consolidated financial statements for the year ended 31 December 2017.

New accounting standards interpretations and amendments to published standards

The following new accounting standards or revision or amendments to IFRS issued by the Accounting Standards Board, relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2018 has been fully adopted in these financial statements. As permitted by the transition provisions of IFRS 9 and IFRS 15, comparatives have not been restated.

IFRS 15 'Revenue from contracts with customers'

IFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard has been endorsed by the EU. This new standard does not have a significant impact on the financial statements. A summary of the Group revenue streams is provided below:

Foreign currency revenue

Foreign currency revenue is the difference between the cost and selling price of currency (foreign currency margin). Sale or purchase of a currency contract generally has only one performance obligation. Margin and commission revenue is recognised as earned when the transaction is made, generally the same time as the currency is collected by the customers.

Revenue earned through ATM transactions

Revenue 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, generally the same time as the obligations with the customers are fulfilled.

Revenue related to outsourced travel money services

Revenue 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. Revenue is recognised when earned under the terms of the related contracts when the transaction is deemed to be fulfilled, which in the case of banknotes is normally on delivery.

Revenue from travellers' cheques and revenue from the foreign exchange bank in Brazil are not revenue generated from contracts with customers and therefore are out of scope for IFRS 15.

1. Accounting policies (continued)

Principal versus agent considerations

Revenue earned through white label websites

The Group has contracts with certain entities to sell currency to customers via their websites. Currently, under these contracts the Group is considered to be the principal. Under IFRS 15, the Group continues to be treated as the principal as it controls the currencies prior to transfer to the customers.

Revenue earned through cards services

The Group has contracts with third parties to sell prepaid cash cards on its behalf. Under this contract, the Group acts as an agent as its responsibilities are limited to providing a foreign currency exchange service and loading the cards. Under IFRS 15, the Group continues to be treated as an agent as it does not hold the primary responsibility for fulfilling the promise to provide the card services to the customers.

Revenue earned through ATM transactions

For certain locations where the Group leases the cash used in its ATM, it acts as an agent as its responsibilities are limited to providing the foreign currency exchange service and providing ATM services. Under IFRS 15, the Group continues to be treated as an agent as it does not control the currencies prior to transfer to the customers.

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 includes a logical model for classification, measurement and derecognition of financial assets, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting.

The main changes to the classification and measurement of financial assets and liabilities are:

- Financial assets that are debt instruments will be classified based on: (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows;

- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases; and

- Where the fair value option is used for financial liabilities, the changes attributable to changes in credit risk are presented in other comprehensive income, and the residual change is presented in profit or loss.

1. Accounting policies (continued)

The Group has adopted the new standard as at 1 January 2018 and will not restate comparative information. The Group has performed a detailed impact assessment of all three aspects of IFRS 9. Overall, the Group noted no significant impact on its statement of financial position and equity for the effect of applying the requirements of IFRS 9. The Group also has no significant impact on the loss allowance as discussed below. In addition, the Group implemented changes in classification of certain financial instruments. The Group does not apply hedge accounting and therefore is not impacted by the hedge accounting change in IFRS 9.

(a) Classification and measurement

The Group has no significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9. It continues measuring at fair value all financial assets and financial liabilities currently held at fair value. Quoted equity shares with gains and losses presented in other comprehensive income (OCI) will continue to be accounted for as such and will be presented as a financial asset held at fair value through OCI. The Group made this election as these are neither held for trading nor are contingent consideration recognised by an acquirer in a business combination.

Financial liabilities currently held at amortised cost will continue to be measured as such.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group noted that they meet the criteria for amortised cost measurement under IFRS 9. Loans and trade receivables are no longer a financial asset classification category within IFRS 9 and therefore have been reclassified as financial assets held at amortised cost. There will be no impact on the measurement in the financial statements due to the reclassification.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The impairment model only impacts assets that are not held at fair value through profit and loss which include trade and other receivables and government and corporate bonds held in Brazil. The Group applied the simplified approach and recorded lifetime expected losses on all trade and other receivables. The current loss allowance at the half year end was estimated to be £1.0m.

Standards, amendments and interpretations to existing standards which are not yet effective or early adopted by the Group

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 16 ‘Leases’ requires lessees to recognise assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier adoption is permitted, provided the new revenue standard, IFRS 15 ‘Revenue from contracts with customers’, has been applied, or is applied at the same time as IFRS 16. The Group is in the process of assessing the impact on its financial reporting.

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:

Basis of consolidation

In determining whether the Group has control, joint control, or significant influence over an entity, the Group considers whether other parties hold veto rights over significant operations and financial policies. In some instances, the Group has control of an entity where other parties own more than one half of the voting rights of an entity but the Group can control these voting rights through contractual arrangements. In such circumstances the Group considers in particular whether it obtains benefits including non-financial benefits, from its power to govern the financial and operating policies of the entity.

Impairment of goodwill

An impairment loss is recognised for the amount by which an asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a cash generating unit's 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 cash flows over a four year period, plus terminal value. In the process of measuring the recoverable amount of an asset or cash generating unit, 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 carrying amount of the Group's assets within the next financial year.

Estimation of provisions for onerous contracts

The value of the Group's provisions for onerous contracts is based on the net present value of estimated future costs of fulfilling the contract exceeding the forecast income receivable. The provision is based on discounted cash flows to the end of the contract. Income and cost estimates can vary in response to many factors including changes in passenger numbers, average transaction values, hit rates, and changes in the relevant local/national government regulations. The selection of appropriate sources on which to base calculation of the discount rate used for this purpose also required judgement. As a result of all of the above factors, there could be significant adjustments to the provision for onerous contracts which could affect future financial results.

Travellers' cheques, investments and structured deposits

The Group holds an insurance policy with AmTrust to cover any shortfall resulting from any excess encashment of travellers' cheques. The insurance policy was recorded at cost as a financial asset at inception and is revalued to fair value annually at each financial year-end with any change in valuation recognised in the income statement. The fair value of the insurance premium asset is based on the expectations regarding the float write back. The float write back is the estimated value of travellers' cheques that will never be encashed. An independent actuarial valuation is performed on an annual basis to determine the expected level of the float write back at each year end.

1. Accounting policies (continued)

AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. The Group records a financial asset relating to these reimbursement funds within financial assets in the balance sheet and this is revalued to fair value at each reporting date with any change in valuation recognised in the income statement.

Travellers' cheque float and structured deposits which relate to monies received in advance on issuance of Visa branded travellers' cheques are held as investments on the balance sheet. 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 using the effective interest rate method.

The travellers' cheques awaiting redemption liability was initially recorded at fair value for all travellers' cheques issued but not encashed. 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 as permitted by IFRS. The liability is subsequently adjusted for travellers' cheques which have been encashed.

The travellers' cheques awaiting redemption liability is denominated in the currency of the travellers' 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.

Taxation

The assessment of the probability of future taxable income against 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 credits, and expectations regarding future financing costs. 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 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, 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.

Going concern assessment

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. This assessment has been based on projected cash flows including liquidity improvements as a result of management's actions, and continuous support from the ultimate controlling party.

1. Accounting policies (continued)

In making this assessment the Directors considered:

- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Group would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support from the shareholder;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of the Group's financing and facilities;
- 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.

The Group has therefore prepared the financial information on a going concern basis.

Shareholder loans

Following the sale of the Group to UTX Holdings Limited on 29 January 2015 the Loan and PIK notes and preference shares classified as liabilities (Shareholder Debt) were restructured, with a portion waived, and the remaining balance novated upward within the Group's structure and retained in favour of UTX Holdings Limited on the same interest and repayment terms.

Following a review of the debt maturity profile, on 5 May 2017, the Group and shareholders extended the maturity of the Shareholder Debt held by UTX Holdings to 2035. On the same date these liabilities were novated to Travelex Holdings Limited from other Group subsidiaries. The contractual interest rate remains at 10%. Management's estimate of the fair market rate of interest applied on similar instruments at the date of extension was 10%. The change in the fair market rate of interest from 14% on 29 January 2015 to 10% resulted in a £75.3m credit adjustment against the principal of these instruments, with a corresponding debit to retained earnings.

Shareholder loan notes issued subsequent to the acquisition of the Group by UTX Holdings Limited include a subordinated loan note repayable in 2045 issued in favour of Dr Shetty on 4 December 2015 with a contractual annual compound interest rate of 2%, however 9.2% is considered a fair market rate of interest applied on similar instruments in the market at the date of issuance. Further subordinated loan notes repayable in 2045 were issued in favour of Dr Shetty, Saeed Mohamed Butti Mohamed Al Qebaisi and Khaleefa Butti Omair Yousif Al Mauhairi on 14 December 2016, 17 January 2017, 23 February 2017 and 29 June 2018 with a contractual annual compound interest rate of 10.2%, which is considered to be a fair market rate in the market at the date of issuance.

2. Revenue from contracts with customers

£m	**Half year ended 30 June 2018**	Half year ended 30 June 2017
UK & Africa	**129.9**	129.5
JANZ[1]	**63.2**	58.8
ME&T[1]	**26.7**	23.9
Europe	**31.8**	32.4
North America	**38.1**	38.8
Brazil	**27.1**	28.1
Asia	**20.4**	26.2
Total	**337.2**	337.7

[1] Regions represent Japan, Australia and New Zealand (JANZ); and the Middle East and Turkey (ME&T)

3. Exceptional items and non-underlying adjustments

Second quarter 2017	**Second quarter 2018**	£m	**Half year ended 30 June 2018**	Half year ended 30 June 2017
		Exceptional income reported within operating loss before depreciation, amortisation, interest and tax:		
-	**-**	Net gain on acquisitions and disposals[1]	**-**	1.6
-	**-**		**-**	1.6
		Non-underlying adjustments reported within operating profit before depreciation, amortisation, interest and tax:		
(3.0)	**(1.4)**	Global reorganisation and corporate projects[2]	**(2.5)**	(7.9)
(2.0)	**0.3**	Onerous contract provision[3]	**0.1**	(2.0)
-	**1.0**	Litigation provision[4]	**1.0**	-
(2.3)	**-**	Cost in relation to the termination of Supercard product[5]	**-**	(2.3)
(1.1)	**-**	Impairment of intangible asset[6]	**-**	(1.1)
(8.4)	**(0.1)**		**(1.4)**	(13.3)
(8.4)	**(0.1)**	Exceptional items and non-underlying adjustments reported within loss before depreciation, amortisation, interest and tax	**(1.4)**	(11.7)
		Non-underlying adjustments reported within finance costs :		
(6.4)	**-**	Refinancing related costs[7]	**-**	(6.4)
(0.6)	**-**	Exchange losses on intercompany loans[8]	**-**	(0.8)
(7.0)	**-**	Non-underlying adjustments reported within finance costs	**-**	(7.2)
0.4	**(0.1)**	Tax attributable to exceptional items and underlying adjustments	**-**	0.7
(15.0)	**(0.2)**		**(1.4)**	(18.2)

3. Exceptional items and non-underlying adjustments (continued)

1. A fair value gain of £2.1m was recognised on the step-acquisition of Travelex Africa Foreign Exchange Proprietary Limited, partially offset by costs of £0.5m relating to the sale of Travelex Insurance Services Inc. recognised in Q1 2017.

2. Principally costs associated with corporate projects and redundancy costs associated with global reorganisation initiatives.

3. Costs associated with onerous contracts on leased properties and certain legacy airport locations.

4. Recognition of a receivable from the previous shareholder of Banco Confidence. Following the penalty amount paid to BACEN in May 2017 the previous shareholder has agreed to pay 51% of this fine. See note 15 for further information.

5. Costs associated with the termination of Supercard in April 2017, including impairment of intangible software assets of £0.9m.

6. Write off of certain software due to obsolescence.

7. Early redemption fee and unamortised issuance costs associated with the senior secured notes which were redeemed in full on 5 May 2017.

8. Retranslation of structural intercompany loan that financed an overseas subsidiary. The retranslation in the overseas subsidiary of the structural intercompany loan is recognised in reserves.

4. Finance income and costs

Second quarter 2017	**Second quarter 2018**	**£m**	**Half year ended 30 June 2018**	Half year ended 30 June 2017
		Finance income:		
		Underlying finance income:		
1.3	**0.2**	Interest receivable	**0.4**	1.6
(3.0)	**(3.5)**	Net exchange gain	**3.0**	-
(1.7)	**(3.3)**		**3.4**	1.6
		Finance costs:		
		Underlying finance costs:		
(0.3)	**(0.7)**	Bank loans and overdrafts	**(1.2)**	(0.7)
(18.0)	**(18.4)**	Interest on shareholder loans	**(36.6)**	(37.5)
(6.1)	**(6.3)**	Interest on senior secured notes	**(12.6)**	(11.9)
(4.9)	**(5.5)**	Finance costs on preference shares classified as liabilities	**(10.9)**	(9.9)
(0.5)	**(0.5)**	Amortisation of transaction costs incurred on refinancing	**(0.9)**	(1.1)
(0.2)	**(0.2)**	Other finance costs	**(0.4)**	(0.4)
(8.4)	**-**	Net exchange loss	**-**	(8.4)
(38.4)	**(31.6)**		**(62.6)**	(69.9)
		Non underlying adjustments reported within finance costs:		
(6.4)	**-**	Refinancing related costs	**-**	(6.4)
(0.6)	**-**	Exchange losses on intercompany loans	**-**	(0.8)
(7.0)	**-**		**-**	(7.2)
(45.4)	**(31.6)**		**(62.6)**	(77.1)

In accordance with the Group's accounting policy, £0.5m (June 2017: £0.6m) of interest receivable on bank deposits and money market instruments from the investment of funds generated from travellers' cheque sales is classified and disclosed within income.

Given the Group's history as a private equity owned business, previous shareholder investment was largely structured in the form of debt instruments. As in previous periods, the interest charged on these debt instruments is the key driver of the statutory loss in the half year ended 30 June 2018, but this shareholder debt has no cash interest cost, is fully subordinated to senior debt and is long-dated. The non cash element of the Group's net finance costs for the period ended 30 June 2018 was £45.4m (June 2017: £60.7m).

5. Intangible assets

£m	Goodwill	Computer software	Customer relationships	Assets in the course of development	Other[1]	Total
Cost						
At 1 January 2018	330.7	90.9	38.3	15.6	24.4	**499.9**
Additions	-	1.4	-	7.4	-	**8.8**
Disposals	-	(0.3)	(1.6)	(0.8)	-	**(2.7)**
Transfers	-	4.6	-	(4.6)	-	**-**
Exchange adjustments	(6.8)	(1.5)	(0.1)	-	(1.6)	**(10.0)**
At 30 June 2018	323.9	95.1	36.6	17.6	22.8	**496.0**
Amortisation and impairment						
At 1 January 2018	46.5	59.1	10.9	1.1	7.3	**124.9**
Charge for the period	-	7.1	1.0	-	0.6	**8.7**
Disposals	-	(0.3)	(1.6)	-	-	**(1.9)**
Exchange adjustments	-	(1.0)	(0.1)	-	(0.4)	**(1.5)**
At 30 June 2018	46.5	64.9	10.2	1.1	7.5	**130.2**
Net book value						
At 30 June 2018	**277.4**	**30.2**	**26.4**	**16.5**	**15.3**	**365.8**
At 1 January 2018	284.2	31.8	27.4	14.5	17.1	375.0

[1] Other intangibles relate to Brand name and Banking Licences arising from Group acquisitions.

6. Trade and other receivables

£m	30 June 2018	31 December 2017
Current		
Trade receivables	**83.5**	163.4
Amounts due from travellers' cheques agents	**0.6**	0.7
Other receivables	**24.7**	29.1
Prepayments and accrued income	**24.0**	22.0
Amounts due from joint ventures and associates	**0.8**	0.8
	133.6	216.0
Non current		
Prepayments and accrued income	**4.8**	5.0
Other receivables	**18.3**	16.9
	23.1	21.9
	156.7	237.9

Other receivables within non current assets include a bank guarantee and security deposit.

7. Cash and cash equivalents

£m	30 June 2018	31 December 2017
Cash at bank and in hand	**567.6**	495.8
Term deposits with original maturities of less than three months	**35.6**	34.5
	603.2	530.3

Included within the cash and cash equivalents balance of £603.2m (December 2017: £530.3m) are the following balances:

- £200.6m (December 2017: £166.1m) of cash held in tills, vaults and transit throughout the retail and vault network;
- £41.7m (December 2017: £37.4m) of banknotes customer settlements received in advance;
- £214.0m (December 2017: £193.9m) of monies received from Cash Passport customers whose use is restricted to the settlement of associated liabilities;
- £40.6m (December 2017: £40.0m) 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 £106.3m (December 2017: £92.9m) include deposits held in bank accounts throughout the Group and overnight Brazil government bonds with a fixed rate of interest. In certain jurisdictions the bank deposit is subject to regulatory and legal restrictions as to its use.

8. Trade and other payables

£m	**30 June 2018**	31 December 2017
Current		
Trade payables	**200.8**	258.1
Travellers' cheques awaiting redemption	**195.3**	199.0
Cash Passports awaiting redemption	**209.9**	189.7
Other tax and social security	**10.8**	10.8
Other payables	**46.3**	44.6
Amounts due to join ventures and associates	**2.2**	-
Accruals and deferred income	**88.5**	90.4
Deferred consideration	**0.1**	0.2
	753.9	792.8

Non-current		
Deferred consideration	**0.5**	0.6
	0.5	0.6
	754.4	793.4

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.

9. Borrowings

£m	30 June 2018	31 December 2017
Current		
Bank loans and overdrafts	**70.3**	26.6
Borrowings from non-shareholders	**70.3**	26.6
Non current		
Senior secured notes		
8% €360m due 2022 bond	**311.2**	311.8
Borrowings from non-shareholders	**311.2**	311.8
Unsecured loan and PIK notes		
10% Loan and PIK notes due 2035	**680.9**	648.7
Other Loan notes	**86.1**	78.3
10% Preference certificates notes due 2035	**10.9**	10.4
Preference shares classified as liabilities	**230.6**	219.7
Borrowings from shareholders	**1,008.5**	957.1
Other loans	**-**	0.1
	1,319.7	1,269.0
	1,390.0	1,295.6

Included in preference shares classified as liabilities is £169.3m (December 2017: £158.4m) relating to unpaid finance costs on preference shares that are not expected to be paid within one year. The nominal value of these shares is £61.3m (see note below).

Other loan notes include a subordinated loan note repayable in 2045 issued in favour of Dr Shetty on 4 December 2015 with a contractual annual compound interest rate of 2%, however 9.2% is considered a fair market rate of interest applied on similar instruments. Further subordinated loan notes repayable in 2045 were issued in favour of Dr Shetty, Saeed Mohamed Butti Mohamed Al Qebaisi and Khaleefa Butti Omair Yousif Al Mauhairi on 14 December 2016, 17 January 2017 and 23 February 2017 with a contractual annual compound interest rate of 10.2%, which is considered to be a fair market rate in the market at the date of issuance.

On 29 June 2018, further subordinated loan notes repayable in 2045 were issued in favour of Dr Shetty, Saeed Mohamed Butti Mohamed Al Qebaisi and Khaleefa Butti Omair Yousif Al Mauhairi with a contractual annual compound interest rate of 10.2%, which is considered to be a fair market rate in the market at the date of issuance.

The legal maturity of the Group's borrowings ranges from 2022 to 2045 (December 2017: 2022 to 2045). The directors estimate the expected maturity date of the unsecured loans and PIK notes to be in line with their expected maturity dates as disclosed above.

9. Borrowings (continued)

Except as detailed in the following table, the directors consider that the carrying amounts of the borrowings recognised in the consolidated financial statements approximate their fair values, which are classified as level 2 under the fair value hierarchy.

£m	30 June 2018 Book value	30 June 2018 Fair value
8% €360m bond due 2022	**311.2**	**310.6**
Unsecured loan and PIK notes	**777.9**	**232.2**
Preference shares	**230.6**	**-**
	1,319.7	**542.8**

Fair value of current borrowings equals their market price, as the impact of discounting is insignificant. The fair values of the bond are based on a listed redemption price of €97.5. The fair values of the unsecured loan and PIK notes and preference shares have been determined using estimated cash flows, discounted at an applicable risk adjusted rate.

Under the £90.0m revolving credit facility, the Group can draw down up to £73.0m which will incur interest on utilised amounts at Libor plus 3.5% and the remaining £17.0m is available to be utilised by guarantees issued on behalf of the Group. As at 30 June 2018, the facility has £62.1m drawn down and £15.0m has been placed as guarantees.

The Group has given guarantees and fixed and floating charges and other securities over £367.0m 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 net and gross leverage to EBITDA. If the covenants are breached, the amounts outstanding on the revolving credit facility would be reclassified as due on demand.

10. Preference Share Capital

	30 June 2018 Number	**30 June 2018 £m**	31 December 2017 Number	31 December 2017 £m
10.0% cumulative preference shares of £1 each	**61,287,636**	**61.3**	61,287,636	61.3

The 10.0% cumulative preference shares do not carry voting rights and are redeemable on 2 August 2035, 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.

11. Financial Instruments

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level of input that is significant to the fair value measurement as a whole:

Level 1 - Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
Level 2 - Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
Level 3 - Valuation techniques (for which the lowest level of input that is significant to the fair value measurement is unobservable).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The table below presents the Group's assets and liabilities that are measured at fair value as at 30 June:

£m	**Level 1**	**Level 2**	**Level 3**	**30 June 2018 Total**
Assets				
Financial asset held at FV to OCI	**6.8**	**-**	**5.5**	**12.3**
Investments	**0.7**	**-**	**-**	**0.7**
Travellers' cheques insurance premium	**-**	**-**	**37.1**	**37.1**
Travellers' cheques reimbursement fund	**-**	**-**	**47.1**	**47.1**
Foreign exchange contracts	**-**	**2.3**	**-**	**2.3**
	7.5	**2.3**	**89.7**	**99.5**
Liabilities				
Foreign exchange contracts	**-**	**(2.7)**	**-**	**(2.7)**
	-	**(2.7)**	**-**	**(2.7)**

£m	Level 1	Level 2	Level 3	31 December 2017 Total
Assets				
Available for sale investments	7.6	-	5.2	12.8
Investments	1.0	-	-	1.0
Travellers' cheques insurance premium	-	-	37.1	37.1
Travellers' cheques reimbursement fund	-	-	49.9	49.9
Foreign exchange contracts	-	2.0	-	2.0
	8.6	2.0	92.2	102.8
Liabilities				
Foreign exchange contracts	-	(2.3)	-	(2.3)
	-	(2.3)	-	(2.3)

There were no transfers between levels 1, 2 and 3 during the half year ended 30 June 2018.

11. Financial Instruments (continued)

Reconciliation of recurring fair value measurements categorised within level 3 of the fair value hierarchy:

Equity shares (£m)	**30 June 2018**	31 December 2017
At 1 January	**5.2**	3.9
Total gains recognised in equity	**0.2**	1.7
Exchange adjustments	**0.1**	(0.4)
	5.5	5.2

Travellers' cheques financial assets (£m)	**30 June 2018**	31 December 2017
At 1 January	**87.0**	97.5
Movement in insurance premium	**-**	(3.1)
Movement in Travellers' cheques reimbursement funds	**(2.8)**	(7.2)
Revaluation losses recognised in Income statement	**-**	(0.2)
	84.2	87.0

Valuation techniques

Foreign currency forwards and swap contracts

The foreign currency forward contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Travellers' cheques

The valuation of the travellers' cheques reimbursement funds and insurance premium asset are based on the expectations regarding the float write back. The float write back is the estimated value of travellers' cheques that will never be encashed. An independent actuarial valuation is performed by Lane Clark & Peacock LLP on an annual basis to determine the expected level of the float write back at year end.

The valuation assumes that travellers' cheques will not be encashed more than 65 years after the year of sale. Sensitivity analysis has been performed to change the assumption of encashment for a period of only 50 years after sale and increasing encashment to 100 years after sale. The valuation changes by 2% and (2.6%) respectively.

The valuation of the reimbursement fund is the gross value of Travellers' Cheques Awaiting Redemption at year end less the assessed fair value of the float write back.

The fair value of the insurance premium asset is linked to the fair value of the float write back and therefore the change in fair value applied to the float write back is used to generate the change in fair value of the insurance premium asset.

Equity share investments

The Group holds convertible ordinary shares ('B' shares) in Visa Inc. The fair value of the unquoted ordinary shares has been determined using conversion rates of 1.6298 per share price of US$105.8. Sensitivity analysis has been performed to change the assumption of the share price. If the Visa share price were to change by +/- 5%, the valuation would change by £0.3m.

12. Provisions

£m	Onerous contracts	Employee related provisions	Other	Total
At 1 January 2018	10.0	7.9	3.8	21.7
Exchange adjustments	-	(0.1)	(0.3)	(0.4)
Charged to income statement	-	0.5	0.8	1.3
Written back to income statement	(0.4)	(0.3)	-	(0.7)
Utilised in the period	(3.8)	(4.0)	(1.3)	(9.1)
At 30 June 2018	**5.8**	**4.0**	**3.0**	**12.8**
Current	2.8	0.4	-	3.2
Non-current	3.0	3.6	3.0	9.6
At 30 June 2018	**5.8**	**4.0**	**3.0**	**12.8**

Onerous contract provisions are in respect of certain airport locations and office building lease contracts. Employee related provisions include redundancy costs and long term service leave. Other provisions include small provisions in respect of other contractual agreements and legal matters.

13. Cash generated from operating activities

£m	**Half year ended 30 June 2018**	Half year ended 30 June 2017
Operating profit/(loss)	**5.0**	(9.5)
Depreciation and amortisation	**14.8**	15.9
Impairment	**-**	2.0
Provisions (including exchange differences)	**0.2**	4.4
Net gain on acquisitions and disposals	**-**	(2.1)
Loss on disposal of property, plant and equipment	**1.7**	0.1
	21.7	10.8
Decrease in inventories	**-**	0.4
Decrease/(Increase) in trade and other receivables	**83.9**	(34.4)
(Decrease)/Increase in trade and other payables	**(49.9)**	300.5
Increase in derivatives	**-**	(1.8)
Decrease in travellers' cheques awaiting redemption	**(7.1)**	(8.5)
Increase in Cash Passports awaiting redemption	**16.6**	44.4
Decrease in structured deposits	**1.1**	3.1
Utilisation of provisions	**(9.1)**	(8.6)
Decrease in financial assets related to travellers' cheques	**3.7**	2.3
Foreign exchange translation differences	**1.4**	(0.3)
Cash generated from operating activities	**62.3**	307.9

14. Related party transactions

Transactions with entities with significant influence over Travelex Holdings Limited

On 29 June 2018, the shareholders signed an agreement to issue additional $10.0m (£7.6m) Subordinated Loan Notes repayable in 2045 to the Group. As at 30 June 2018, $5.0m (£3.8m) of these Loan Notes have been drawn down and have a contractual interest rate of 10.2% per annum.

£m	30 June 2018	31 December 2017
Balance outstanding		
UTX Holdings Limited	**922.4**	878.8
Dr B.R. Shetty	**78.7**	71.5
Saeed Mohamed Butti Mohamed Al Qebaisi	**3.7**	3.4
Khaleefa Butti Omair Yousif Al Mauhairi	**3.7**	3.4
	1,008.5	957.1
Interest charged		
UTX Holdings Limited	**43.5**	84.2
Dr B.R. Shetty	**3.6**	6.4
Saeed Mohamed Butti Mohamed Al Qebaisi	**0.2**	0.3
Khaleefa Butti Omair Yousif Al Mauhairi	**0.2**	0.3
	47.5	91.2

Transactions with joint ventures

Net trading balances of £1.3m are owed to the Group by Travelex Malaysia Sdn BHD Limited (December 2017: £0.1m).

Trading balances of £nil are owed to the Group by Travelex Qatar Q.S.C Limited (December 2017: £0.2m).

There are also net trading balances of £0.1m (December 2017: £0.5m) owed by the Group to various joint venture agreements in the United States.

Other related party transactions

Dr B.R. Shetty and his business partners invest in a number of businesses, some of which the Group transacts with. During the half year ended 30 June 2018, the Group transacted with UAE Exchange Centre and UAE Exchange Ltd for a total net revenue of £18,308 (2017: £7,889) and balances outstanding of £nil (2017: £nil). The Group also transacted with Xpress Money Services Ltd for total net revenue of £90,692 (2017: £nil) and a total trading balance of £478,693 was owed by the Group to Xpress Money as at 30 June 2018 (2017: £nil).

On 29 June 2018, the group signed an agreement with UAE Exchange Centre LLC (UAE) whereby each party to the agreement agreed to grant the other a multicurrency revolving credit facility of a maximum of £20m at any one time. The balance outstanding from UAE Exchange Centre LLC as at 30 June 2018 was £nil. The interest is set at a rate of LIBOR + 3.5%. No amounts in relation to this have been written off during the period ended 30 June 2018.

14. Related party transactions (continued)

On 29 January 2015, in connection with the sale of Travelex Holdings Limited to UTX Holdings Limited, Travelex France Holdings Limited sold Banque Travelex SA and its 100% owned subsidiary Travelex Paris SAS to UAE Exchange UK Limited, of which B.R. Shetty is also a shareholder. In the half year to 30 June 2018, the Group charged €1.5m (£1.3m) (2017: €1.5m) in relation to management services to Banque Travelex SA, and a total trading balance of £0.3m was owed to the Group by Banque Travelex as at 30 June 2018.

During the period, the Group also received €2.0m loan from Banque Travelex SA. The balance outstanding on this loan was €1.5m as at 30 June 2018. The loan was interest free and had a maturity date of 5 July 2018 for €0.5m and 31 July 2018 for €1.0m. The fund were subsequently used to provide an interest free loan to UAE Exchange Centre LLC with a maturity date of 5 July 2018 for the full amount.

Directors and key management occasionally transact with subsidiary undertakings of the Company, primarily with regard to the provision of foreign currency or foreign currency payment transactions on standard staff discount 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.

15. Contingent liabilities

In accordance with IFRS, the Directors have adopted the recognition and de-recognition 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 £162.8m (December 2017: £160.8m).

As at the balance sheet date a total of £15.5m (December 2017: £16.3m) of bank guarantees (including performance guarantees) have been issued on behalf of the Group. In addition £29.2m (December 2017: £25.7m) of surety guarantees have been issued to certain state regulators in the US, Hong Kong and Singapore on behalf of the Group.

Certain of the Group's subsidiaries which have been granted financial services licences by local regulators are, from time to time, subject to audits and reviews performed by such local regulators. These reviews and audits sometimes result in recommendations leading to improvements of the control environment. In 2014 the DNB, the central bank of the Netherlands, performed an audit of parts of Travelex NV and concluded that Travelex NV was in breach of certain regulatory obligations. Travelex NV has since undertaken a significant remediation programme. On 2 July 2018 the ongoing investigation was dismissed and a settlement agreed with a payment of €35,000 (£30,962) paid by Travelex to settle the alleged offences.

15. Contingent liabilities (continued)

BACEN, the local regulator of Travelex's businesses in Brazil, commenced disciplinary proceedings at the end of 2015 against Banco Confidence ('Confidence'), one of Travelex's subsidiaries in the country, alleging certain irregularities in the period between July 2012 and June 2013 relating to certain failures in its AML processes and procedures. A significant proportion of the alleged irregularities related to a period prior to Travelex owning any shares in Confidence. BACEN decided against Confidence in August 2016, and imposed financial penalties amounting to approximately US$18m on Confidence. Travelex appealed against the decision and, following the hearing of the appeal by an administrative collegiate body, the penalties were significantly reduced to approximately $1.8m (c£1.4m). This amount was paid to BACEN in full at the end of March 2018. The previous shareholder has agreed to pay 51% of this fine to the group in three instalments. On 27 June 2018 the group received the first instalment of BRL 1.5m from the previous shareholder in relation to this agreed amount.

BACEN commenced a further disciplinary proceeding against Banco Confidence in December 2017, which Confidence is also defending rigorously and in respect of which it submitted a full defence in January 2018. This matter relates to alleged failures to comply with certain AML, KYC and reporting requirements in respect of the period 2013 to 2016 involving certain clients of Banco Confidence (FX brokers). No specific amount has been claimed by way of fine as yet and it is not possible to estimate at this stage what that amount might be. In November 2017 a new law and respective regulations were enacted that (i) set forth, among others, new rules applicable to disciplinary enforcement by BACEN; and (ii) envisage the possibility of any party that has had a regulatory disciplinary proceeding commenced against it to seek to settle such matter through an agreement with BACEN. Whilst Confidence will vigorously defend the claim against it, it has submitted a draft settlement under this new legal framework to BACEN and is awaiting BACEN's response.

The Company and its subsidiaries may, from time to time, be parties 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.

16. Post balance sheet events

On 3 July 2018, certain rights, liabilities, duties and obligations were novated to the Group from United Overseas Bank Wholesale Banknotes in accordance with the acquisition agreement signed on 30 April 2018 for the acquisition of certain assets for proceeds of US$10m. US$5m (£3.8m) was paid on 30 April 2018, the remaining balance of US$5m will be settled in two instalments of US$2.5m due 3 October 2018 and 3 December 2018 respectively.

On 31 July 2018, Travelex Malaysia SDN BHD acquired 100% shares in UAE Exchange Malaysia SDN BHD, a 100% subsidiary of UX Holdings Ltd for 1MYR. The full amount was paid in cash with no outstanding balance as at 30 June 2018.