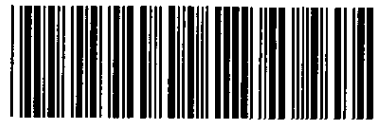


Company registration number: 01648767

Euro Travellers Cheque Nederland Limited

Report and unaudited financial statements
for the year ended 31 December 2020

FRIDAY



A86VGC3L

A12

24/06/2022

#73

COMPANIES HOUSE

Contents

Director's report	1 – 5
Profit & loss statement	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 18

Euro Travellers Cheque Nederland Limited

Corporate information

Directors

A D'Souza (resigned 6 August 2020)
J Morris
R Suckling (resigned 30 November 2021)

Secretary

V Benis-Lonsdale

Bankers

Barclays Bank plc
One Churchill Place
Canary Wharf
London
E14 5HP

Registered Office

Worldwide House
Thorpe Wood
Peterborough
PE3 6SB

Euro Travellers Cheque Nederland Limited
Director's report
for the year ended 31 December 2020

The Director presents her report and the unaudited financial statements for the Company for the year ended 31 December 2020.

Principal activities during the year

The Company's principal activity has been the management of travellers' cheques awaiting redemption liabilities and the associated financial assets.

Directors

The Directors who held office during the year and up to the date of signing these financial statements were:

A D'Souza (resigned 6 August 2020)
J Morris
R Suckling (resigned 30 November 2021)

Director's indemnities

As at the date of signing the financial statements, there were qualifying third-party indemnity arrangements for the benefit of all of the Company's Directors. These indemnities were first implemented in March 2020 via an intermediate parent company and are effective from that date onwards.

Significant events

Malware incident

On 31 December 2019, Travelex Holdings Limited and its subsidiaries ('THL') detected malware which had compromised its services. On discovering the malware, THL invoked its incident management process immediately in order to assess, contain and remediate the impact of such malware. THL also engaged with external cyber security experts, third-party partners as well as law enforcement agencies to respond to this incident and conduct the necessary investigations. Following the event some of the Company's services were disrupted. During 2020, the Company reviewed its contractual obligations in relation to this incident and concluded that there was no further financial impact on the Company.

THL engaged specialists to perform a comprehensive independent review of the malware incident on THL, including the Company.

COVID-19

At the time of writing, the COVID-19 pandemic has not resulted in any critical judgements or significant direct impact on the business of the Company and will likely still be a focus of stakeholders as at 31 December 2020. This is because the activity of the Company is limited to holding the previously issued travellers cheques reimbursement fund asset, with any encashment simply reducing the value of assets and liabilities by equal amounts, and with little to no revenue or expenditure generated except for relatively fixed amounts of interest and operating costs.

Intercompany loan transactions

At the end of each reporting period, financial assets are measured at amortised cost for objective evidence of impairment. As at 31 December 2020, group undertakings owed the Company £43,000 (2019: £40,000). At year end, management determined that there was no reasonable prospect of recovering intercompany receivables and an impairment of £31,000 has been recorded (2019: £12,000), resulting in the net book value of the assets being written down to £nil at year end (2019: £28,000).

The Company's registered address changed on 20 October 2020 from 4th Floor, Kings Place, 90 York Way, London, N1 9AG to Worldwide House, Thorpe Wood, Peterborough, PE3 6SB.

Euro Travellers Cheque Nederland Limited
Director's report
for the year ended 31 December 2020

Dividends

There were no dividends paid or recommended for payment in respect of the year ended 31 December 2020 (31 December 2019: £nil).

Charitable and political donations

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

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company trades in a number of currencies and utilises financial instruments in the following ways:

- to invest the travellers' cheques float; and
- to mitigate foreign exchange exposures generated by the Company's underlying business flows.

Credit risk

The Company'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.

Until 31 May 2013, the Company invested the float, representing funds received in advance upon issuance of travellers' cheques, in loans to Travelex Limited or investments in money market deposits. The loans to Travelex Limited were repayable on demand. All of the money market deposits were due within 12 months and classified as current asset investments. Credit risk in relation to the current asset investments was minimised by the short-term nature of the money market deposits.

On 31 May 2013, the Company released the money on structured deposit relating to MasterCard travellers' cheques and transferred cash, equivalent to expected future encashments, to a reimbursement fund held by AmTrust International Insurance Limited (AmTrust), an insurance company whose senior finance obligations are rated 'A-' (2019 'A-') by A.M. Best Company Inc, an insurance company rating agency. This rating is assigned to entities which A.M. Best considers have an excellent ability to repay their debts.

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, investments, reimbursement fund, insurance premium asset, trade receivables and amounts owed from other group undertakings. Cash includes deposits held with financial institutions and the composition and maturities are regularly monitored by management.

In addition, the Company has an internal credit risk in relation to funds lent to fellow Travelex Holdings Limited Group (THL) companies. As at 31 December 2020, the largest individual intercompany receivable was Travelex Global and Financial Services Limited with a balance of £43,000 (2019: £40,000). Impairment provisions, in aggregate, have been recorded in the amount of £43,000 (2019: £12,000) against the value of these intercompany receivables, reflecting the credit risk profile as at the year end.

Foreign currency risk

The Company conducts business in many foreign currencies, reporting its results in sterling. As a result, it is subject to fluctuations in foreign exchange rates which affect the Company's transactional revenues and costs. The Company's foreign exchange risk management policy aims to identify and minimise this exposure wherever possible.

The Company's balance sheet currency exposure is primarily managed by matching currency assets with currency borrowings.

Euro Travellers Cheque Nederland Limited
Director's report
for the year ended 31 December 2020

Liquidity risk

The most significant liquidity risk faced by the Company was the risk that the encashment profile of outstanding travellers' cheques did not match the term of the investment of the travellers' cheques float.

Principal risks and uncertainties (continued)

The liquidity risk facing the Company has been mitigated by the reimbursement fund and insurance policy held under the contract with AmTrust which was arranged in 2013.

In August 2020, the intermediate parent company (Travelex Limited) was placed into administration, resulting in the cessation of its support. This event, combined with the impairment of intercompany receivables described above, posed a liquidity risk for the Company.

This risk is significantly reduced as the majority of the short-term liabilities other than travellers' cheques is amounts owed to other Travellers cheques companies who share common directors with the Company. While there are risks associated with the long-term liquidity, the Company and the wider Travellers Cheques group are expected to have sufficient liquidity to continue as a going concern for at least twelve months from the date of signing these financial statements. The Director is considering the long-term plan for the Company beyond the going concern period.

Operational risk

Operational risk is defined as the risk arising within the organisation from:

- systems risk from inadequately designed or maintained systems, including cyber security risks;
- legal and reputational risk from non-compliance with local regulations, international regulations, the Company's ethical business standards and contractual obligations, including the incurrence of fines;
- process risk from inadequate or failed internal processes; and
- people risk from inappropriate staffing levels or inadequately skilled or managed people.

Operational risk exposures are identified, managed and controlled through the Company's Board. On 31 December 2019, THL detected a software virus which had compromised some of its and the Company's services. Refer to the significant events section within the Director's report for THL's and the Company's response to this incident specifically.

Statement of Director's responsibilities

The Director is responsible for preparing the Director's 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 Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 ('FRS 102') – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under Company law, the Director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss account of the Company for that period.

In preparing these financial statements, the Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Present information, including accounting policies, in a manner that gives relevant, reliable, comparable and understandable information;
- Give additional disclosures when complying with the specific requirements in FRS 102 is not enough to let users understand the impact of transactions, other events and conditions on the Company's financial position and performance;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the

Euro Travellers Cheque Nederland Limited
Director's report
for the year ended 31 December 2020

Company will continue in business;

- State that the Company has complied with FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- Make judgements and estimates that are reasonable and prudent.

Statement of Director's responsibilities (continued)

The Director is responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable her to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

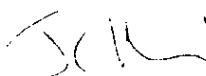
Going concern assessment

A detailed going concern assessment is provided in the basis of preparation paragraph which forms part of Note 1 to the financial statements. This assessment concludes that the going concern basis of preparation is appropriate, although a material uncertainty surrounding operational support exists that affects the Company's going concern position

Strategic report

The Director has taken the exemption under Section 414B of the Companies Act 2006 and so no strategic report is included in these financial statements.

By order of the Board



J Morris
Director

20 June 2022

Registered office
Worldwide House
Thorpe Wood
Peterborough
PE3 6SB

Company Registration No.
01648767

Euro Travellers Cheque Nederland Limited
Profit & loss statement
for the year ended 31 December 2020

£'000	Notes	2020	2019
Foreign exchange (loss)/ gain		(3)	4
Operating expenses	2	(10)	-
Operating (loss)/ gain		(13)	4
Revaluation loss on financial assets	3	(23)	(20)
Impairment of amounts owed from group undertakings		(31)	(12)
Loss on ordinary activities before taxation		(67)	(28)
Tax credit on loss on ordinary activities	5	-	3
Loss for the financial year		(67)	(25)

The notes on pages 9 to 19 form an integral part of these financial statements.

Euro Travellers Cheque Nederland Limited
Statement of financial position
as at 31 December 2020

£'000	Notes	2020	2019
Non-current assets			
Financial assets	6	306	325
Total fixed assets		306	325
Current assets			
Financial assets	6	3	5
Debtors: amounts falling due within one year	7	3	31
Total current assets		6	36
Current liabilities			
Travellers' cheques awaiting redemption		(107)	(103)
Creditors: amounts falling due within one year	8	(68)	(54)
Total current liabilities		(175)	(157)
Net current liabilities		(169)	(121)
Total net assets		137	204
Capital and reserves			
Called up share capital	9	50	50
Profit and loss account		87	154
Total shareholders' funds		137	204

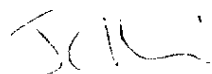
The notes on pages 8 to 18 form an integral part of these financial statements.

For the financial year in question the company was entitled to exemption under section 479A of the Companies Act 2006.

Director's responsibilities:

- No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.
- The director acknowledges her responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board on 20 June 2022 and were signed on its behalf by:



J Morris
Director

Euro Travellers Cheque Nederland Limited
Statement of changes in equity
for the year ended 31 December 2020

£'000	Called-up share capital	Profit and loss account	Total equity
At 1 January 2019	50	179	229
Loss for the year	-	(25)	(25)
At 31 December 2019	50	154	204
Loss for the year	-	(67)	(67)
At 31 December 2020	50	87	137

The notes on pages 8 to 18 form an integral part of these financial statements.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies

General information

Euro Travellers Cheque Nederland Limited (the Company) is a private company incorporated in England and Wales under the Companies Act 2006 and limited by shares. The registered office and principal place of business is Worldwide House, Thorpe Wood, Peterborough, PE3 6SB.

The functional and presentational currency of the Company is pounds sterling (£) and rounded to the nearest thousand pound.

Until 6 August 2020, BRS Investment Holdings 1 Limited was the ultimate parent company of the Company. From 6 August 2020, legal control over the Company is held by PwC, as administrators of Travellex Limited.

Basis of preparation

The financial statements of the Company have been prepared, on a going concern basis, under the historical cost convention, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', and with the Companies Act 2006. The functional currency of the Company is Dutch Guilders. The presentational currency is Pounds Sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the note below.

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

Going concern

The Director assessed the Company's going concern for a period of twelve months from the signing date of the financial statements to the end of April 2023. In making this assessment the Director considered:

- The accuracy of expected actuarial encashment profile in comparison to actual;
- Whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- Whether post balance sheet trading is in line with expectations;
- If the Company would be able to trade after the impact of a reasonable downside scenario on performance;
- The adequacy of insurance cover;
- The funding requirements of the non-core travellers' cheques operations;
- The regulatory environment in which the Company operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

Having performed the above assessment, the Director has concluded the going concern is the appropriate basis for the Company based on the following:

Operations

During 2020, the Company procured the staffing & system resources it required from a sister company, Travellers Cheques Encashment Services Limited (TCES). As at 31 December 2020, management consider that TCES had sufficient cash to ensure it could operate for approximately 24 months without requiring further financial support from elsewhere, which would ensure the continuity of service required by the Company for the same period of time.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

On 6 August 2020, TCES took on the contractual obligations as employer of the necessary staff that support the travellers' cheques encashment process, securing the future provision of this resource. In addition, TCES has agreed Transitional Service Agreements (TSAs) with the Travelex TopCo Limited Group for the continued provision of the necessary travellers' cheques systems.

Solvency & liquidity

As at 31 December 2020, the Company has a net assets position of £137,000 (2019: £204,000) and net current liabilities of £169,000 (2019: £121,000). Included within net assets is £nil (2019: £28,000) receivable from group undertakings (net of allowance for impairment) and £57,000 (2019: £53,000) payable to group undertakings.

At 31 December 2020, group undertakings owed the Company £43,000 (2019: £40,000). Management determined that there was no reasonable prospect of recovering these amounts and so the remainder of this amount was impaired in September 2020. Impairment provisions, in aggregate, have been recorded in the amount of £43,000 (2019: £12,000) against the value of these intercompany receivables, reflecting the credit risk profile as at the year end.

Despite this impairment, in the Director's opinion the Company maintains sufficient solvency and liquidity to enable the Company to continue as a going concern for at least twelve months from the date of signing these financial statements. This is because the Company has liquid assets in the form of the reimbursement fund that are well in excess of the expected encashment of travellers' cheques over this period.

The Director has no current intention to liquidate the Company in the next twelve months. The Director has also relied on the assumptions that any debts owed to fellow Travellers cheques group undertakings are not called upon and repayment is not required within the next twelve months. This is relatively certain as the Director also sits on the Board of these entities.

The Director has concluded that the Company can continue as a going concern, based on the fact that the resources necessary to the Company's ability to operate have been secured, and there is sufficient liquidity and solvency within the Company to enable it to trade for a period of at least twelve months from the date of signing the financial statements.

Financial instruments

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Company is exempt from the requirement of FRS 102 to adopt full disclosure of the classification of financial assets and to disclose detailed accounting bases in its financial statements as it is a wholly owned subsidiary of Travelex Holdings Limited. Financial assets and financial liabilities have been classified in the financial statements as follows:

Assets

Financial assets

Financial assets consist of two distinct components: an insurance premium asset and a reimbursement fund, which each relate to the insurance policy and reimbursement agreement. On 31 May 2013, the Company purchased an insurance policy to cover any shortfall resulting from any excess encashment of travellers' cheques.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

The Company also signed a reimbursement agreement with the insurer. As part of the reimbursement agreement monies were paid to a third party to cover future encashments of travellers' cheques. The fund is reduced for payments made back to the Company to indemnify it for on-going encashments. Any monies over and above what is required to settle the future encashment of these cheques are not refundable to the Company.

Both insurance premium and reimbursement claim fund were initially recorded at cost as financial assets and are revalued at fair value at each reporting date with any change in valuation recognised in the profit & loss.

This reimbursement agreement and insurance policy jointly ensure that all travellers' cheques that are properly presented in perpetuity should be honoured, and therefore, the Company has significantly reduced remaining commercial risk linked to the encashment of travellers' cheques.

Debtors

Debtors principally comprise amounts owed from other group undertakings, which represent both trading and non-trading loans. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Liabilities

Travellers' cheques awaiting redemption

Travellers' cheques awaiting redemption liability is managed and its performance is evaluated on a fair value basis concurrently with the 'Financial assets', which are measured at fair value, as the reimbursement fund and insurance policy relate to travellers' cheques awaiting redemption. It is designated at fair value to eliminate or significantly reduce a measurement inconsistency.

The fair value is determined based on the value of those cheques which it is anticipated will never be presented for payment ('float write back'). In estimating this amount the Director uses the services of an independent firm of actuaries. The difference between the opening and closing value of the float write back is included in revaluation gain/(loss) on financial assets in the Statement of comprehensive income.

Creditors

Creditors principally comprise amounts owed to other group undertakings and travellers' cheques replacement sales. They are initially recognised at fair value less transaction costs, and are subsequently carried at amortised cost, using the effective interest method.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction into pounds sterling. Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated at the rates ruling at that date, with differences arising on translation recorded in the statement of comprehensive income. All other exchange gains and losses, which arise from normal trading activities, are included in the statement of comprehensive income as incurred.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS 102 '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 and is not discounted.

Deferred tax assets are recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Contingent liabilities

Contingent liabilities represent the external actuarial estimate of float write back. Float write back being the value of travellers' cheques possible, but not probable to be encashed. The actuarial estimate is updated annually.

Cash flow statement

As the Company does not have any cash and cash equivalents, a Statement of cash flows is not included within these financial statements.

Judgements and key sources of estimation uncertainty

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 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:

Estimates

Financial assets

The Company 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 at each reporting date 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.

The fair value of the insurance premium asset is directly linked to the estimated level of the float write back and therefore the change in the expected float write back is used to generate the change in fair value of the insurance policy asset.

AmTrust hold funds to cover future encashment of MasterCard branded and non-branded travellers' cheques in bankruptcy-remote vehicles. The Company 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.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

Travellers' cheques awaiting redemption

The travellers' cheques awaiting redemption liability is managed and its performance is evaluated on a fair value basis concurrently with the 'Financial assets', which are measured at fair value, as the reimbursement fund and insurance policy relate to travellers' cheques awaiting redemption. It is designated at fair value to eliminate or significantly reduce a measurement inconsistency.

The fair value is determined based on the value of the float write back. In estimating this amount the Directors use the services of an independent firm of actuaries. The difference between the opening and closing value of the float write back is included in the profit & loss.

Judgements

Contingent liabilities

The Company has disclosed in note 11 contingent liabilities which, in the opinion of the Director, are unlikely to have a materially adverse effect on the Company's financial position.

Amounts owed from group undertakings

At 31 December 2020, group undertakings owed the Company £43,000 (2019: £40,000). Management determined that there was no reasonable prospect of recovering these amounts and so the remainder of this amount was impaired in September 2020. Impairment provisions, in aggregate, have been recorded in the amount of £43,000 (2019: £12,000) against the value of these intercompany receivables, reflecting the credit risk profile as at the year end.

2. Operating loss

£'000	2020	2019
Operating loss is stated after charging:		
Foreign exchange (loss)/ gain	(3)	4

3. Revaluation loss on financial assets

£'000	2020	2019
(Loss)/ gain on revaluation of claim fund	(4)	4
Loss on revaluation of insurance premium	(20)	(22)
Float write back	1	(2)
	(23)	(20)

Float write back represents the movement in the liability recorded for travellers' cheques awaiting redemption that, in the opinion of the Director, will never be presented for payment.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

4. Tax on loss on ordinary activities

£'000	2020	2019
Current tax		
UK corporation tax credit on loss for the year	-	(3)
Total current tax credit for the year	-	(3)

The standard rate of corporation tax in the UK is 19%, which came into effect on 1 April 2017.

The total tax credit for the year is greater than (2019: greater than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is explained below:

£'000	2020	2019
Loss on ordinary activities before tax	(67)	(28)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	(13)	(5)
Other items	7	-
Impairment of intercompany receivables not deductible for tax	6	2
Total current tax credit for the year	-	(3)

The Company has not recognised deferred tax on tax losses amounting to £25,510 (2019: £93,131) which can be carried forward to use against future taxable trading income.

5. Financial assets

Financial assets relating to the Travellers' Cheques business are as follows:

£'000	2020	2019
Current		
Reimbursement funds	3	5
	3	5
Non-current		
Insurance premium asset	213	232
Reimbursement funds	93	93
	306	325
	309	330

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

6. Financial assets (continued)

On 31 May 2013, the Group contracted an insurance policy to cover any shortfall resulting from encashment of travellers' cheques over and above amounts placed into a reimbursement fund held by Amtrust. The insurance policy is with AmTrust, an insurance company whose senior finance obligations are rated 'A-' (2019: 'A-') by A.M. Best Company Inc., an insurance company rating agency. This rating is assigned to entities which A.M Best consider to have an excellent ability to repay their debts. The insurance policy is treated as a financial asset valued at fair value through the statement of comprehensive income and retained earnings.

As part of the transaction, the Group released the money on structured deposit relating to MasterCard travellers' cheques and transferred cash, equivalent to expected future encashments, to reimbursement funds held by AmTrust. The Group has an agreement with AmTrust whereby the Company is reimbursed for travellers' cheques encashed in the prior week. The structured deposits have therefore been replaced with a financial asset representing the reimbursement contract entered into with AmTrust. This financial asset is valued at fair value through the statement of comprehensive income.

7. Debtors

£'000	Note	2020	2019
Amounts falling due within one year			
Amounts owed from group undertakings	12	43	40
Corporation tax receivable		3	3
		46	43
Allowance for impairment		(43)	(12)
		3	31

Amounts owed from group undertakings are unsecured, non-interest bearing and repayable on demand.

The movement in the impairment provision against amounts owed from group undertakings is as follows:

£'000	2020	2019
At 1 January	12	-
Provision for impairment	31	12
At 31 December	43	12

At 31 December 2020, group undertakings owed the Company £43,000 (2019: £40,000). Management determined that there was no reasonable prospect of recovering these amounts and so the remainder of this amount was impaired in September 2020. Impairment provisions, in aggregate, have been recorded in the amount of £43,000 (2019: £12,000) against the value of these intercompany receivables, reflecting the credit risk profile as at the year end.

Further information can be found at note 14 (Significant events).

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

8. Creditors

£'000	Note	2020	2019
Amounts falling due within one year			
Other creditors		1	1
Amounts owed to group undertakings	12	57	53
Accruals		10	-
		68	54

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand. Included in Other creditors are amounts relating to travellers' cheques replacement sales.

9. Called up share capital

		2020		2019
Allotted and fully paid	Number	£'000	Number	£'000
'A' Ordinary shares of £1 each	50,000	50	50,000	50
		50		50

Share capital is determined using the nominal value of shares that have been issued. The ordinary 'A' shares carry one vote each. All shares issued are 'A' shares.

10. Financial instruments by category

The Company has the following financial instruments:

£'000	2020	2019
Financial assets that are debt instruments measured at amortised costs		
Amounts owed from group undertakings	-	28
Total financial assets measured at amortised cost	-	28

£'000	2020	2019
Financial assets at fair value through profit or loss		
Financial assets – non-current	306	325
Financial assets - current	3	5
Total financial assets at fair value through profit or loss	309	330

£'000	2020	2019
Financial liabilities measured at amortised cost		
Travellers cheques awaiting redemption	107	103
Other creditors	1	1
Amounts owed to group undertakings	57	53
	165	157

Details of the gains and losses on financial assets and liabilities held at fair value through profit or loss can be found at note 3.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

11. Contingent liabilities

At 31 December 2020, there is a contingent liability for the Company of £2,161,632 (2019: £2,089,914) representing travellers' cheques issued which in the opinion of the Director, although possible, are not probable to be encashed. Based on past experience and actuarial valuations, the possibility of any future outflow in settlement of these cheques is considered to be remote.

12. Related party transactions

During the year the Company entered into transactions with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Revenues from	Costs charged	Receivable from	Payable to
£'000	Year ended 31 December 2020		As at 31 December 2020	
Travelex Global and Financial Services Limited	-	-	43	57
Travellers Cheques Encashment Services Limited	-	-	-	-
	-	-	43	57

As at 31 December 2020, indicators of impairment existed in relation to the monies lent by Euro Travellers Cheque Nederland Limited to other THL Group companies. Further information can be found at note 14 (Significant events).

The amounts of impairment and the adjusted value of the loans is as follows:

£'000	Gross value of loans	Impairment provision	Adjusted value of loans
Travelex Global and Financial Services Limited	43	(43)	-
	43	(43)	-

There was no bad debt expense recognised against related party receivables during the year.

	Revenues from	Costs charged by	Receivable from	Payable to
£'000	Year ended 31 December 2019		As at 31 December 2019	
Travelex Global and Financial Services Limited	-	-	40	-
Travellers Cheques Encashment Services Limited	-	-	-	53
	-	-	40	53

Outstanding balances with entities are unsecured and are repayable on demand. Trading balances are non-interest bearing.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements
for the year ended 31 December 2020

12. Related party transactions (continued)

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel.

13. Ultimate and intermediate parent undertakings

The smallest and largest group in which the results of the Company were consolidated is Travelex Global and Financial Services Limited.

The immediate parent company is Travelex Global and Financial Services Limited, a company registered in England and Wales.

The Company's share capital is owned by BRS Investment Holdings 1 Limited and is Euro Travellers Cheque Nederland Limited's ultimate parent company. BRS Investment Holdings 1 Limited is registered and domiciled in the Abu Dhabi Global Market. Other holding companies are BRS Investment Holdings 2 Limited, BRS Investments Holdings 3 Limited and UX Investment Holdings Limited.

The Company has intermediate parent companies, including Travelex Limited, a company registered in England and Wales and which is currently in administration. PwC, as administrators, have legal control over the Company as at the date of signing the financial statements. The registered address of Travelex Limited is Central Square, 29 Wellington Street, Leeds, England, LS1 4DL.

13. Significant events

Finablr announcement

On 16 March 2020, Finablr Plc (the parent company of THL) announced that it faced "a material uncertainty over its ability to continue as a going concern". THL and its subsidiaries have maintained a separate legal and financing structure that is capable of operating independently of Finablr Plc and as a result of this event the THL group was restructured.

Restructuring

These events described above combined to create significant liquidity constraints, and additional funding was required to ensure the continued operation of THL. On 6 August 2020, THL reached an agreement with at least 66.7% of Senior Secured Noteholders ("SSNs") and all of its Revolving Credit Facility ("RCF") lenders on the terms of a comprehensive debt restructuring, and the SSNs took control of certain Travelex entities via a new holding company ("Travelex Topco Limited").

The Company has not transferred to the Travelex Topco Limited Group and its ownership remains with Travelex Limited. As Travelex Limited is in administration, legal control over the Company is now held by PwC, the administrator. The Company and the wider Travellers Cheques group are expected to have sufficient liquidity to continue as a going concern for at least twelve months from the date of signing these financial statements. In addition, the ongoing operations are also supported as the necessary Transitional Service Agreements (TSAs) that secure the access to IT and other resources are in place, and the relevant staff are employed by a company in the Travellers Cheques group. The Directors are in the process of assessing the long-term options for the Company, following the change in the controlling interest. In accordance with FRS 102, this was treated as a non-adjusting post balance sheet event.

Euro Travellers Cheque Nederland Limited
Notes to the financial statements (continued)
for the year ended 31 December 2020

14. Significant events (continued)

Intercompany loan transactions

In September 2020, the recoverability of the amounts due from group undertakings was reassessed. At 31 December 2020, these group undertakings owed the Company £43,000, which was fully written off (2019: recoverable amount £28,000), net of impairment. Management determined that there was no reasonable prospect of recovering these amounts and so the remainder of this amount was impaired in September 2020.

The Company's registered address changed on 20 October 2020 from 4th Floor, Kings Place, 90 York Way, London, N1 9AG to Worldwide House, Thorpe Wood, Peterborough, PE3 6SB.