

Company Registration No. 02229894 (England and Wales)

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**30 JUNE 2016**

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**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**

**COMPANY INFORMATION**

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**Directors**

C Thelen  
P Bridger  
J Pherous  
S Fleming

**Secretary**

J Hunt

**Company number**

02229894

**Registered office**

One Carter Lane  
London  
EC4V 5ER

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
The Portland Building  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**

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**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

The directors present their strategic report for the year ended 30 June 2016. The comparative period is the 15 months ended 30 June 2015.

**Review of business**

The company changed its name from Chambers Travel Management Limited to Corporate Travel Management (United Kingdom) Limited on 18 March 2016 as part of the group rebrand to align with its ultimate parent company.

The company's trading performance for the year was robust in a challenging trading environment. The Profit on ordinary activities before taxation of £1.516m (2015 - £1.196m).

The company's balance sheet at 30 June 2016 is strong showing net assets of £4.2 million (2015 - £2.8 million) and net cash of £2.9 million (2015 - £0.9 million).

Significant developments over the year included:

- Expansion of the Events Travel Management division.
- Expansion of the In-house Development and Innovation Teams.
- Launch of a virtual card payment solution.
- Launch of a business intelligence solution for internal and external reporting.

The company continues to receive industry winning the following awards:

- May 2016: Peoples award for best Account management team of the year.
- May 2016: GTMC innovation award for SMART.

The company will continue its strategy of growth through:

- The development of technology solutions for clients and travel team.
- New opportunities identified through strategic sales.
- Providing servicing to Pan European and Global clients through the dedicated team in London and Glasgow or through group subsidiaries in France, Germany, Netherlands, Sweden, Switzerland and Norway.

The principle risks to the business continue to be the default of a major client or supplier, airline and rail strikes, adverse government legislation and major disruption to business travel caused by external factors.

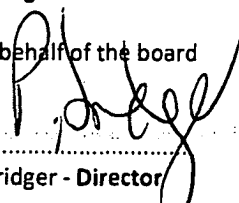
Financial risk management - refer to directors' report on page 2.

There are a number of Key Performance Indicators monitored by the Board, including but not limited to:

Key Performance Indicator	Year ended 30 June 2016	15 months period ended 30 June 2015
Gross value of sales (Note 6)	£136,135,158	£148,766,951
Profit on ordinary activities before taxation	£1,516,426	£1,195,787
Current asset ratio (current assets divided by current liabilities)	1.29	1.38

The company continues to deliver growth in total transactional volumes through strong performance by strategic sales and continued customer retention investment.

On behalf of the board

  
P Bridger - Director

20/2/2016

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

The directors present their report and audited financial statements for the year ended 30 June 2016. The comparative period is the 15 months ended 30 June 2015.

**Change in accounting framework and policy**

In the year ended 30 June 2016 the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. See note 2 for further disclosures in relation to this change in accounting framework.

**Future developments**

Refer to strategic report on page 1.

**Dividends**

The directors recommended a dividend of £nil (2015 - £nil).

**Financial instruments**

The company's principal financial instruments are cash, trade debtors, trade creditors and general banking facilities all of which are utilised to facilitate normal trading operations.

The main risks from the company's financial instruments are credit, cash flow and foreign exchange risk.

**Credit risk**

The company mitigates credit risk through credit check procedures of all customers prior to commencement of trade and periodic review thereafter.

**Cash flow risk**

The company mitigates cash flow risk by use of third party working capital facilities and the setting of appropriate credit terms to correspond with cash outflows.

**Foreign exchange risk**

The company operates in a global industry and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

This risk is primarily managed through the monitoring of both the level of likely future foreign currency cash flows and forecasts of exchange rate movements.

**Directors.**

The directors of the company who were in office during the year end up to the date of signing the financial statements were:

C Thelen  
P Bridger  
J Pherous  
S Fleming

The company has made qualifying third party indemnity provisions for the benefit of directors and officers of the company which were made during the year and exist at the date of this report.

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Employees**

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company.

The company is committed to engaging employees in the performance and direction of the company. Through the company's performance development plans and incentives schemes, employees' objectives are closely aligned to those of the company. Management is committed to continual staff training both in-house and external. Employees also receive monthly business updates and attend an annual conference where, through interactive sessions, ideas around business development and industry innovation are shared.

**Research and development**

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software, refer to note 11 for additional information.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

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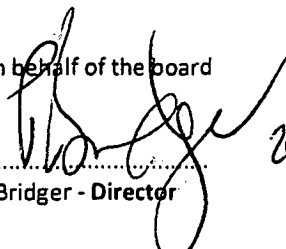
**Disclosure of information to auditors**

- As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

  
P Bridger - Director

20/12/2016

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED**

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## **Report on the financial statements**

### **Our opinion**

In our opinion, Corporate Travel Management (United Kingdom) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 30 June 2016;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
INDEPENDENT AUDITORS' REPORT (CONTINUED)  
TO THE MEMBERS OF CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED**

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## **Responsibilities for financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

### **What an audit of financial statements involves**

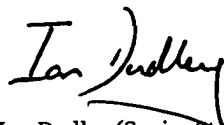
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Ian Dudley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
20 December 2016

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED**  
**(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

		<b>Year ended</b>	<b>15 month</b>
		<b>30 June 2016</b>	<b>period ended</b>
	<b>Note</b>	<b>£</b>	<b>30 June 2015</b>
			<b>£</b>
<b>Revenue</b>	<b>6</b>	11,493,789	13,004,075
<b>Other operating income</b>	<b>7</b>	3,976,209	3,920,058
<b>Administrative expenses</b>		(13,936,348)	(15,728,346)
<b>Operating profit</b>	<b>7</b>	<u>1,533,650</u>	<u>1,195,787</u>
<b>Finance costs</b>	<b>9</b>	(17,224)	-
<b>Profit on ordinary activities before taxation</b>		<u>1,516,426</u>	<u>1,195,787</u>
<b>Income tax expense on ordinary activities</b>	<b>10</b>	(129,340)	(265,834)
<b>Profit for the financial year/period</b>		<u><u>1,387,086</u></u>	<u><u>929,953</u></u>

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED**  
**(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**  
**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Year ended 30 June 2016 £</b>	<b>15 month period ended 30 June 2015 £</b>
<b>Profit for the financial year/period</b>	<b>1,387,086</b>	<b>929,953</b>
<b>Total comprehensive income for the year/period</b>	<b><u>1,387,086</u></b>	<b><u>929,953</u></b>

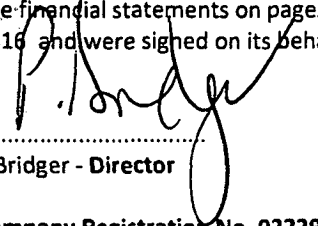
**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED**  
**(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2016**

	Note	As at 30 June 2016 £	As at 30 June 2015 £
<b>Fixed assets</b>			
Intangible assets	11	330,146	-
Property, plant and equipment	12	642,835	181,312
Investments in subsidiaries	13	100	100
		<u>973,081</u>	<u>181,412</u>
<b>Current assets</b>			
Trade and other receivables	14	11,684,759	8,818,052
Cash at bank and in hand		<u>2,869,127</u>	<u>925,934</u>
		14,553,886	9,743,986
<b>Creditors: amounts falling due within one year:</b>	15	<u>(11,242,790)</u>	<u>(7,057,279)</u>
<b>Net current assets</b>		<u>3,311,096</u>	<u>2,686,707</u>
<b>Total assets less current liabilities</b>		4,284,177	2,868,119
Provisions for liabilities	16	(52,152)	(23,180)
<b>Net assets</b>		<u>4,232,025</u>	<u>2,844,939</u>
<b>Equity</b>			
Ordinary shares	17	100,000	100,000
Share premium		32,266	32,266
Capital redemption reserve		29,000	29,000
Retained income		4,070,759	2,683,673
<b>Total shareholders' funds</b>		<u>4,232,025</u>	<u>2,844,939</u>

The notes on pages 11 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 were authorised for issue by the board of directors on 20 December 2016 and were signed on its behalf.

  
P Bridger - Director

Company Registration No. 02229894

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED**  
**(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)**  
**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2016**

	Called-up share capital £	Share premium £	Capital redemption reserve £	Share based payment reserve £	Retained income £	Total shareholders' funds £
Balance at 1 April 2014 (restated, see note 21)	100,000	32,266	29,000	85,637	1,629,359	1,876,262
Total comprehensive income	-	-	-	-	929,953	929,953
Movement on share based payment	-	-	-	38,724	-	38,724
Transfer to retained income	-	-	-	(124,361)	124,361	-
<b>Balance at 30 June 2015</b>	<b>100,000</b>	<b>32,266</b>	<b>29,000</b>	<b>-</b>	<b>2,683,673</b>	<b>2,844,939</b>
Balance at 1 July 2015	100,000	32,266	29,000	-	2,683,673	2,844,939
Total comprehensive income	-	-	-	-	1,387,086	1,387,086
<b>Balance at 30 June 2016</b>	<b>100,000</b>	<b>32,266</b>	<b>29,000</b>	<b>-</b>	<b>4,070,759</b>	<b>4,232,025</b>

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**1. General information**

Corporate Travel Management (United Kingdom) Limited operates as a business travel management company.

The company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is One Carter Lane, London, EC4V 5ER.

**2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of Corporate Travel Management (United Kingdom) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 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 note 4.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
  - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1 'Presentation of financial statements':
  - (i) 10(d), (statement of cash flows),
  - (ii) 16 (statement of compliance with all IFRS),
  - (iii) 38A (requirement for minimum of two primary statements, including cash flow statements),
  - (iv) 38B-D (additional comparative information),
  - (v) 111 (cash flow statement information), and
  - (vi) 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

**2.1 Basis of preparation (continued)**

**Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operation existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**New standards, amendments and IFRIC interpretations –**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 June 2016, have had a material impact on the company.

**2.2 Consolidation**

The company is a wholly-owned subsidiary of Corporate Travel Management (Europe) Limited and of its ultimate parent Corporate Travel Management Limited. It is included in the consolidated financial statements of Corporate Travel Management Limited which are publicly available. Therefore the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

**2.3 Foreign currency translation**

**(a) Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the income statement within 'Administrative expenses'.

**2.4 Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Cost may also include transfers from equity of any gain/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives as follows:

Land and buildings leasehold	2 – 5 years (over lease term)
Fixtures, fittings & equipment	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

**2.4 Property, plant and equipment (continued)**

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the income statement.

**2.5 Intangible assets**

**Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of identifiable net assets acquired. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate potential impairment. The carrying value of the cash-generating unit (CGU) containing the goodwill is compared to the recoverable amount, which is the higher of the value in use and fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

**Computer software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met.

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.



**CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED  
(FORMERLY CHAMBERS TRAVEL MANAGEMENT LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2016**

**2.5 Intangible assets (continued)**

**Computer software (continued)**

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

**2.6 Impairment of non-financial assets**

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

**2.7 Financial assets**

**Classification**

The company classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise trade and other receivables, cash and commercial paper in the statement of financial position.

**Recognition and measurement**

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

**2.8 Impairment of financial assets**

Assets carried at amortised cost.

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and the loss event (or events) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

**2.9 Trade and other receivables**

Trade and other receivables are amounts due from customers and suppliers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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**2.10 Investments in subsidiaries**

Investments in subsidiaries are held at cost less accumulated impairment losses.

**2.11 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**2.12 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

**2.13 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.14 Provisions**

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**2.15 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or deferred income tax liability is settled.

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**2.15 Current and deferred income tax (continued)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

**2.16 Employee benefits**

The company operates various post-employment schemes, including defined contribution pension plans.

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Past-service costs are recognised immediately in the income statement.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**2.17 Revenue**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the company's activities, as described below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

**(a) Revenue from sales of travel services**

Revenue from sale of travel services represents net revenue earned via commissions and fees, and also includes any commission payable by suppliers after completion of the transaction. Commission and fees from the sale of travel services are recognised when a travel booking is received and travel documents are issued. Commissions payable by suppliers are recognised upon receipt, the point at which they can be reliably measured, and it is probable that future economic benefits will flow to the entity. Revenue relating to volume incentives (override revenue) is recognised at the amount receivable when annual targets are likely to be achieved.

**2.18 Other operating income**

Commissions payable by suppliers are recognised upon receipt, the point at which they can be reliably measured, and it is probable that future economic benefits will flow to the entity. Revenue relating to volume incentives (override revenue) is recognised at the amount receivable when annual targets are likely to be achieved.

Other revenue is recognised when the right to receive the revenue is established.

**2.19 Interest income**

Interest income is recognised using the effective interest method.

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**2.20 Leases**

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**2.21 Dividend distribution**

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

**3. Change in reporting period**

During the prior period the company changed its reporting period to 30 June 2015 to align with that of its ultimate parent company. The current reporting period is for the 12 months ended 30 June 2016 and the prior reporting period is for the 15 months ended 30 June 2015.

The amounts presented in the financial statements are not entirely comparable due to the change in the reporting period.

**4. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**4.1 Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual estimates. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**(a) Useful and economic lives of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and the residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

**(b) Impairment of trade receivables**

The company makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivables and historical experience.

**(c) Override revenue**

In addition to commission payments, the company is eligible for override payments from its suppliers. These overrides are negotiated with individual suppliers and will typically include a combination of guaranteed payments and volume incentives. The volume incentives are recognised at the amount receivable when annual targets are likely to be achieved. The override revenue accrual process is inherently judgemental and is impacted by factors which are not completely under the company's control.

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**5 Financial instruments**

The company has no financial assets or liabilities measured at fair value through profit or loss.

**6 Revenue**

Revenue of the company for the current year/previous period has been derived from its principal activity wholly undertaken in the United Kingdom.

The financial statements show net of commission earned as revenue. The gross amounts receivable in respect of ticket sales are:

	2016 £	2015 £
Gross value of sales	136,135,158	148,766,951
Gross value of cost of sales	<u>(124,641,369)</u>	<u>(135,762,876)</u>
	<u>11,493,789</u>	<u>13,004,075</u>

**7 Operating profit**

	2016 £	2015 £
Operating profit is stated after charging/(crediting):		
Wages and salaries	8,859,153	8,864,337
Social security cost	972,874	970,943
Other pension costs	106,619	108,664
Share-based payments	-	38,724
Total staff costs	<u>9,938,646</u>	<u>9,982,668</u>
Foreign exchange (gains)/losses	(126,370)	61,616
Depreciation of property, plant and equipment	159,645	70,441
Operating lease charges	446,778	319,366
Auditors' remuneration		
Audit fees - Beavis Morgan	-	43,481
Audit fees - PricewaterhouseCoopers LLP	69,560	106,700
Non-audit fees - Beavis Morgan	<u>-</u>	<u>60,718</u>

PricewaterhouseCoopers LLP were appointed as auditors mid way through the 2015 financial period.

**Other operating income**

Other operating income consists of volume based incentive payments from suppliers and other sundry income.

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**8 Employees and directors**

**Employees**

The average monthly number of persons (including executive directors) employed by the company during the current year/previous period was:

	2016 No.	2015 No.
Office and administration	38	37
Sales and marketing	223	180
	<u>261</u>	<u>217</u>

**Directors**

Directors are remunerated by the parent company.

**9 Finance costs**

	2016 £	2015 £
Group undertakings	<u>17,224</u>	<u>-</u>

Finance costs represent total interest expense on financial liabilities not measured at fair value through profit and loss.

**10 Income tax**

Tax expense included in profit or loss

	2016 £	2015 £
<b>Current tax:</b>		
U.K Corporation tax on profits for the year/period	100,368	234,905
Adjustments in respect of prior periods	-	(266)
Total current tax	<u>100,368</u>	<u>234,639</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	28,972	31,195
Tax on profit on ordinary activities	<u>129,340</u>	<u>265,834</u>

No tax expense/(income) has been included in other comprehensive income or in equity.

Tax expense for the year is lower (2015: higher) than the standard rate of corporation tax in the UK for the year ended 30 June 2016 of 20.00% (2015: 20.80%). The differences are explained on the following page.

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**10. Income tax (continued)**

	2016 £	2015 £
Profit on ordinary activities before taxation	1,516,426	1,195,787
Profit multiplied by the standard rate of tax in the UK of 20.00% (2015: 20.80%)	303,285	248,724
Effects of:		
Non deductible expenses	8,520	27,819
Capital allowances in arrears/(excess) of depreciation	15,208	40,929
Other tax adjustments	(5,769)	(33,766)
Provisions adjustment	(2,578)	2,585
Adjustments in respect of prior periods	(54,398)	(266)
Group loss relief claimed	-	(20,191)
Utilisation of previously unrecognised tax losses	(134,928)	-
<b>Tax on profit on ordinary activities</b>	<b><u>129,340</u></b>	<b><u>265,834</u></b>

The tax rate in the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015.

Further reductions to the UK corporation tax rate have been announced. The changes, propose to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. A further change was announced in the Chancellor's Budget on 16 March 2016 this was substantively enacted in September 2016, to reduce the UK corporation tax rate to 17% from 1 April 2020. Deferred taxes as the statement of financial position date have been measured using these enacted tax rates and reflected in these financial statements.

**11. Intangible assets**

	Goodwill £	Software £	Total £
<b>Cost</b>			
At 30 June 2015	72,500	-	72,500
Additions	-	330,146	330,146
<b>As at 30 June 2016</b>	<b><u>72,500</u></b>	<b><u>330,146</u></b>	<b><u>402,646</u></b>
<b>Accumulated amortisation and impairment</b>			
At 30 June 2015	(72,500)	-	(72,500)
As at 30 June 2016	(72,500)	-	(72,500)
<b>Net book amount at 30 June 2016</b>	<b><u>-</u></b>	<b><u>330,146</u></b>	<b><u>330,146</u></b>
<b>Net book amount</b>			
At 30 June 2015	-	-	-
Movement during the year	-	330,146	330,146
<b>As at 30 June 2016</b>	<b><u>-</u></b>	<b><u>330,146</u></b>	<b><u>330,146</u></b>

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**11. Intangible assets (continued)**

The software intangible asset includes the company's development of its business intelligence reporting system. The asset is carried at £200,365 and is still under construction. When finalised it will be amortised over a period of 3 years on a straight-line basis. There are no other individually material intangible assets.

Intangible assets amortisation is recorded in administrative expenses in the income statement.

**12. Property, plant and equipment**

	Land and buildings leasehold	Fixtures, fittings and equipment	Total
	£	£	£
At 30 June 2015			
Cost	144,725	941,292	1,086,017
Accumulated depreciation	(101,587)	(803,118)	(904,705)
Net book amount	43,138	138,174	181,312
Year ended 30 June 2016			
Additions	494,650	126,518	621,168
Net disposals	-	-	-
Depreciation	(66,896)	(92,749)	(159,645)
Closing net book amount	470,892	171,943	642,835
At 30 June 2016			
Cost	494,650	788,842	1,283,492
Accumulated depreciation	(23,758)	(616,899)	(640,657)
Net book amount	470,892	171,943	642,835

**13. Investments**

	2016 £	2015 £
<b>Shares in group undertakings</b>		
At 1 July and 30 June	100	100

Investments comprise equity shares in Chambers Elite Limited and Interact Events Limited, neither of which are publicly traded. Both companies are incorporated in the United Kingdom.

The company owns 100% (2015: 100%) of the ordinary shares of Chambers Elite Limited and Interact Events Limited.

No dividends were received during the current or prior year.



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**14. Trade and other receivables**

	2016 £	2015 £
Trade receivables	4,981,209	4,836,445
Amounts owed by group undertakings	5,305,872	2,394,816
Other receivables	239,702	207,670
Prepayments and accrued income	1,157,976	1,379,121
	<u>11,684,759</u>	<u>8,818,052</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade receivables are stated after provisions for impairment of £163,721 (2015: £157,419).

**15. Creditors: amounts falling due within one year**

	2016 £	2015 £
Trade payables	6,675,123	5,606,358
Amounts owed to group undertakings	2,539,020	248,795
Corporation tax	28,645	234,905
Taxation and social security costs	333,769	350,314
Other creditors	382,237	19,985
Accruals and deferred income	1,283,996	596,922
	<u>11,242,790</u>	<u>7,057,279</u>

Amounts due to group undertakings are unsecured, carry interest between 0% and 1.03% (2015: 0%), have no fixed date of repayment and are repayable on demand.

**16. Provisions for liabilities**

The company had the following provisions during the year:

	Deferred tax provisions £
At 1 July 2015	23,180
Addition to the income statement	28,972
At 30 June 2016	<u>52,152</u>

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**16. Provisions for liabilities (continued)**

**Deferred tax**

The provision for deferred tax consists of the following deferred tax liabilities:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred tax liabilities due within 12 months	52,152	23,180
<b>Total provision</b>	<b><u>52,152</u></b>	<b><u>23,180</u></b>
		<b>Accelerated capital allowances £</b>
Deferred tax assets		
At 1 April 2014		(8,015)
Charged to the income statement		31,195
At 30 June 2015		<u>23,180</u>
Charged to the income statement		28,972
At 30 June 2016		<b><u>52,152</u></b>

There are no unused tax losses or unused tax credits.

**17. Share capital**

Ordinary shares of £1 each

	<b>£</b>	<b>No.</b>
At 1 July 2015 and 30 June 2016	<u>100,000</u>	<u>100,000</u>

All shares rank pari passu in all respects.

**18. Capital and other commitments**

The company had the following future minimum lease payments under non-cancellable operating leases for the following periods:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Not later than one year	402,253	150,713
Later than one year and not later than five years	1,617,781	29,830
	<b><u>2,020,034</u></b>	<b><u>180,543</u></b>

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**19. Related party transactions**

As permitted by FRS 101, the company has taken advantage of the exemption available under that standard in relation to "related party transactions" from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year the company leased residential accommodation for £28,080 (2015: £14,040) from C Thelen, a director of the company.

See note 8 for disclosure of the directors' remuneration.

There are no other related party transactions requiring disclosure.

**20. Control**

The parent undertaking of this company is Corporate Travel Management (Europe) Limited, incorporated in England and Wales, whose registered office is One Carter Lane, London, EC4V 5ER. The ultimate parent undertaking and controlling party of this company is Corporate Travel Management Limited, incorporated in Australia, whose registered office is 27A/52 Charlotte Street, Brisbane, Queensland, 4000, Australia.

**21. First-time adoption of FRS 101**

This is the first year in respect of which the company has prepared its financial statements under FRS 101. The previous financial statements for the period ended 30 June 2015 were prepared under 'old UK GAAP'. The date of transition to FRS101 for the company is 1 April 2014. Set out below are descriptions of the various implementation options applied by the company in preparing the financial statements for the year ended 30 June 2016, as well as reconciliations from 'old UK GAAP' to FRS 101 for both total comprehensive income for the year ended 30 June 2015 and total equity as at 1 April 2014 and 30 June 2015.

**Reconciliation of total equity as at 1 April 2014 and 30 June 2015**

		<b>1 April 2014</b>	<b>30 June 2015</b>
		<b>£</b>	<b>£</b>
<b>UK - GAAP - As previously reported</b>		1,968,121	2,844,939
Reclassification - Trade receivables to deferred tax	<b>A</b>	-	8,015
Reclassification - Creditors: amounts falling due within one year to deferred tax	<b>A</b>	(23,180)	-
Reclassification - Deferred tax from trade receivables	<b>A</b>	-	(8,015)
Reclassification - Deferred tax from creditors: amounts falling due within one year	<b>A</b>	23,180	-
Holiday pay accrual	<b>B</b>	(91,859)	-
<b>FRS 101</b>		<b>1,876,262</b>	<b>2,844,939</b>

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**21. First-time adoption of FRS 101 (continued)**

**Reconciliation of total comprehensive income for the period ended 30 June 2015**

		<b>30 June 2015</b>
		<b>£</b>
<b>UK - GAAP - As previously reported</b>		838,094
Holiday pay accrual	<b>B</b>	91,859
		<u>929,953</u>

A) The adjustments relate to the reclassification of deferred tax to provisions.

B) FRS101 requires that short term employee benefits are charged to profit and loss account as employee service is received. This has resulted in the company recognising a liability for holiday pay of £91,859 on transition to FRS 101. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid, however for the financial period ending 30 June 2015 the accounting policy changed to recognise holiday pay on an accrual basis. The recognition of holiday pay accrual prior to the adoption of FRS 101 has in the year to 30 June 2015 created a reversal of accrual recognised in profit and loss of £91,859.