

Company Registration No. 02229894 (England and Wales)

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2017

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CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED

COMPANY INFORMATION

Directors

D Carling
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

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CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their strategic report for the year ended 30 June 2017.

Review of business

The company's trading performance for the year was robust in a challenging trading environment. The Profit on ordinary activities before taxation was £2.96m (2016 - £1.52m).

The company's balance sheet at 30 June 2017 is strong showing net assets of £6.74m (2016 - £4.23m) and net cash of £4.25m (2016 - £2.87m).

Significant developments over the year included:

- Expansion of the business travel management division.
- Expansion of the In-house Development and Innovation Teams.
- Launch of new quality control (QC) software.

The company continues to receive industry recognition winning the following awards:

- January 2017: Business Travel Awards for best Travel Management Company of the year.
- March 2017: TTG (Travel Trade Gazette) top 50 Agencies Award.

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, Norway, Poland, Hungary and Czech Republic.

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

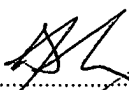
Financial risk management - refer to directors' report on page 2.

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

Key Performance Indicator	Year ended 30 June 2017	Year ended 30 June 2016
Gross value of sales (Note 5)	£150,608,829	£136,135,158
Profit on ordinary activities before taxation	£2,958,584	£1,516,426
Current asset ratio (current assets divided by current liabilities)	1.46	1.29

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


.....
S Fleming - Director

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and audited financial statements for the year ended 30 June 2017.

Results

The income statement is set out on page 7 and shows the profit for the year.

Principle activities

The company operates as a business travel management company.

Review of business and future developments

Refer to strategic report on page 1.

Dividends

The directors recommended a dividend of £nil (2016 - £nil).

Financial instruments

The company's principal financial instruments are cash, trade receivables, trade payables 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 (resigned 22 November 2017)

P Bridger (resigned 7 April 2017)

D Carling (appointed 7 April 2017)

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
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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 10 for additional information.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:


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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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


.....
S Fleming - Director

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2017; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

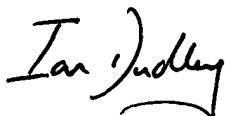
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

21 December 2017

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

		Year ended 30 June 2017	Year ended 30 June 2016
	Note	£	£
Revenue	5	12,590,185	11,493,789
Other operating income	6	4,808,673	3,976,209
Administrative expenses		(14,417,763)	(13,936,348)
Operating profit	6	<u>2,981,095</u>	<u>1,533,650</u>
Finance costs	8	(22,511)	(17,224)
Profit on ordinary activities before taxation		<u>2,958,584</u>	<u>1,516,426</u>
Income tax expense on ordinary activities	9	(448,429)	(129,340)
Profit for the financial year		<u><u>2,510,155</u></u>	<u><u>1,387,086</u></u>

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

FOR THE YEAR ENDED 30 JUNE 2017

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
Profit for the financial year	2,510,155	1,387,086
Total comprehensive income for the year	<u>2,510,155</u>	<u>1,387,086</u>

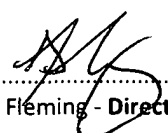
CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

		As at 30 June 2017	As at 30 June 2016
	Note	£	£
Fixed assets			
Intangible assets	10	412,605	330,146
Property, plant and equipment	11	477,853	642,835
Investments in subsidiaries	12	100	100
		<u>890,558</u>	<u>973,081</u>
Current assets			
Trade and other receivables	13	14,576,543	11,684,759
Cash and cash equivalents		<u>4,248,886</u>	<u>2,869,127</u>
		18,825,429	14,553,886
Creditors: amounts falling due within one year:	14	<u>(12,921,655)</u>	<u>(11,242,790)</u>
Net current assets		<u>5,903,774</u>	<u>3,311,096</u>
Total assets less current liabilities		6,794,332	4,284,177
Provisions for liabilities	15	(52,152)	(52,152)
Net assets		<u>6,742,180</u>	<u>4,232,025</u>
Equity			
Ordinary shares	16	100,000	100,000
Share premium		32,266	32,266
Capital redemption reserve		29,000	29,000
Retained income		6,580,914	4,070,759
Total shareholders' funds		<u>6,742,180</u>	<u>4,232,025</u>

The notes on pages 11 to 24 are an integral part of these financial statements.

The financial statements on pages 7 to 24 were authorised for issue by the board of directors on 21 December 2017 and were signed on its behalf.



 S Fleming - Director

Company Registration No. 02229894

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

FOR THE YEAR ENDED 30 JUNE 2017

	Called-up share capital £	Share premium £	Capital redemption reserve £	Retained income £	Total shareholders' funds £
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
Balance at 30 June 2016	<u>100,000</u>	<u>32,266</u>	<u>29,000</u>	<u>4,070,759</u>	<u>4,232,025</u>
Balance at 1 July 2016	100,000	32,266	29,000	4,070,759	4,232,025
Total comprehensive income	-	-	-	2,510,155	2,510,155
Balance at 30 June 2017	<u>100,000</u>	<u>32,266</u>	<u>29,000</u>	<u>6,580,914</u>	<u>6,742,180</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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, and in accordance with the Companies Act 2006.

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 3.

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
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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 2017, 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 year.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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 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
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

The Billing and Settlement Plan 'BSP' creditor is measured at the cost of the transactions with confirmation received from BSP for the liability on a monthly basis. The balance at the period end is then restated at the confirmed payment balance plus 2.5% based on historic knowledge to take into account any unprocessed ACM's, ADM's, tickets and refunds. The restatement movement is taken to profit and loss in other operating income/ (expense).

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 year 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.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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.

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.

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.

2.18 Interest income

Interest income is recognised using the effective interest method.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

2.19 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.

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. 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.

3.1 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.

(d) BSP liability

The company makes an estimate of the percentage of unprocessed ACM's, ADM's tickets and refunds. When assessing the percentage of unprocessed ACM's, ADM's tickets and refunds, management considers factors including the past trends of unprocessed items and historical experience.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

4. Financial instruments

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

5. Revenue

Revenue of the company for the current and previous year 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:

	2017 £	2016 £
Gross value of sales	150,608,829	136,135,158
Gross value of cost of sales	<u>(138,018,644)</u>	<u>(124,641,369)</u>
	<u>12,590,185</u>	<u>11,493,789</u>

6. Operating profit

	2017 £	2016 £
Operating profit is stated after charging:		
Wages and salaries	9,699,891	9,212,130
Social security cost	987,190	972,874
Other pension costs	108,396	106,619
Total staff costs	<u>10,795,477</u>	<u>10,291,623</u>
Foreign exchange losses/(gains)	5,805	(126,370)
Amortisation of intangible assets	214,281	-
Depreciation of property, plant and equipment	199,573	159,645
Operating lease charges	456,631	446,778
Auditors' remuneration		
Audit fees - PricewaterhouseCoopers LLP	<u>66,858</u>	<u>69,560</u>

Other operating income

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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

7. Employees and directors

Employees

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

	2017	2016
	No.	No.
Office and administration	29	38
Sales and marketing	251	223
	<u>280</u>	<u>261</u>

Directors

Directors are remunerated by the immediate parent company, Corporate Travel Management (Europe) Limited, or the ultimate parent company, Corporate Travel Management Limited.

8. Finance costs

	2017	2016
	£	£
Finance costs on balances with group undertakings	<u>22,511</u>	<u>17,224</u>

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

9. Income tax

Tax expense included in profit or loss

	2017	2016
	£	£
Current tax:		
U.K Corporation tax on profits for the year	654,340	100,368
Adjustments in respect of prior years	(205,911)	-
Total current tax	<u>448,429</u>	<u>100,368</u>
Deferred tax:		
Origination and reversal of timing differences	-	28,972
Tax on profit on ordinary activities	<u>448,429</u>	<u>129,340</u>

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

Tax expense for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for the year ended 30 June 2017 of 19.75% (2016: 20.00%). The differences are explained on the following page.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

9. Income tax (continued)

	2017	2016
	£	£
Profit on ordinary activities before taxation	2,958,584	1,516,426
Profit multiplied by the standard rate of tax in the UK of 19.75% (2016: 20.00%)	584,320	303,285
Effects of:		
Non deductible expenses	5,962	8,520
Capital allowances in arrears of depreciation	70,199	15,208
Other tax adjustments	(1,278)	(5,769)
Provisions adjustment	(4,863)	(2,578)
Adjustments in respect of prior periods	(205,911)	(54,398)
Utilisation of previously unrecognised tax losses	-	(134,928)
Tax on profit on ordinary activities	448,429	129,340

Further reductions to the UK corporation tax rate have been announced. The changes, propose to reduce the current rate of 19% to 18% from 1 April 2020. A further change has been announced in the Chancellor's Budget on 08 March 2017 to reduce the UK corporation tax rate to 17% from 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.

10. Intangible assets

	Goodwill	Software	Total
	£	£	£
Cost			
At 30 June 2016	72,500	330,146	402,646
Additions	-	296,740	296,740
As at 30 June 2017	72,500	626,886	699,386
Accumulated amortisation and impairment			
At 30 June 2016	(72,500)	-	(72,500)
Amortisation	-	(214,281)	(214,281)
As at 30 June 2017	(72,500)	(214,281)	(286,781)
Net book amount at 30 June 2017	-	412,605	412,605
Net book amount			
At 30 June 2016	-	330,146	330,146
Movement during the year	-	82,459	82,459
As at 30 June 2017	-	412,605	412,605

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

10. Intangible assets (continued)

The Software intangible asset includes the company's quality control system which is carried at £82,791 (2016: £nil) which has been completed and deployed and the development of the business intelligence reporting system which is carried at £226,730 (2016: £200,365) which still under construction. Intangible assets are amortised over a period of 3 years on a straight-line basis one completed. There are no other individually material intangible assets.

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

11. Property, plant and equipment

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Total £
At 30 June 2016			
Cost	494,650	788,842	1,283,492
Accumulated depreciation	(23,758)	(616,899)	(640,657)
Net book amount	<u>470,892</u>	<u>171,943</u>	<u>642,835</u>
Year ended 30 June 2017			
Additions	10,258	24,333	34,591
Depreciation	(106,379)	(93,194)	(199,573)
Closing net book amount	<u>374,771</u>	<u>103,082</u>	<u>477,853</u>
At 30 June 2017			
Cost	504,908	813,175	1,318,083
Accumulated depreciation	(130,137)	(710,093)	(840,230)
Net book amount	<u>374,771</u>	<u>103,082</u>	<u>477,853</u>

12. Investments

	2017 £	2016 £
Shares in group undertakings		
At 1 July and 30 June	<u>100</u>	<u>100</u>

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% (2016: 100%) of the ordinary shares of Chambers Elite Limited and Interact Events Limited, with both companies having their registered offices at One Carter Lane, London, EC4V 5ER, United Kingdom.

No dividends were received during the current or prior year.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

13. Trade and other receivables

	2017	2016
	£	£
Trade receivables	6,297,310	4,981,209
Amounts owed by group undertakings	6,722,392	5,305,872
Other receivables	125,517	239,702
Prepayments and accrued income	1,431,324	1,157,976
	<u>14,576,543</u>	<u>11,684,759</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 £154,557 (2016: £163,721).

14. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade payables	9,339,146	6,675,123
Amounts owed to group undertakings	1,381,701	2,539,020
Corporation tax	351,849	28,645
Taxation and social security costs	293,106	333,769
Other creditors	154,258	382,237
Accruals and deferred income	1,401,595	1,283,996
	<u>12,921,655</u>	<u>11,242,790</u>

Amounts due to group undertakings are unsecured, carry interest between 0% and 2.98% (2016: between 0% and 1.03%), have no fixed date of repayment and are repayable on demand.

15. Provisions for liabilities

The company had the following provisions during the year:

	Deferred tax provisions
	£
At 1 July 2016 and 30 June 2017	<u>52,152</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

15. Provisions for liabilities (continued)

Deferred tax

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

	2017	2016
	£	£
Deferred tax liabilities due within 12 months	52,152	52,152
Total provision	<u>52,152</u>	<u>52,152</u>
		Accelerated capital allowances £
Deferred tax liability		
At 1 July 2015		23,180
Charged to the income statement		28,972
At 30 June 2016		<u>52,152</u>
Charged to the income statement		-
At 30 June 2017		<u>52,152</u>

There are no unrecognised tax losses or unrecognised tax credits.

16. Share capital

Ordinary shares of £1 each

	£	No.
At 1 July 2016 and 30 June 2017	<u>100,000</u>	<u>100,000</u>

All shares rank pari passu in all respects.

17. Capital and other commitments

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

	2017	2016
	£	£
Land and buildings		
Not later than one year	495,493	402,253
Later than one year and not later than five years	1,246,872	1,617,781
	<u>1,742,365</u>	<u>2,020,034</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

18. 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 (2016: £28,080) from C Thelen, a director of the company.

See note 7 for disclosure of the directors' remuneration.

There are no other related party transactions requiring disclosure.

19. 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.