

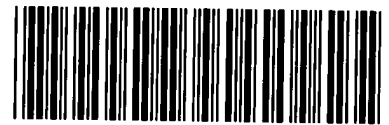
Company Registration No. 02229894 (England and Wales)

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2020

FRIDAY



A9ZMLN2G

A04

05/03/2021

#98

COMPANIES HOUSE

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED

COMPANY INFORMATION

Directors	D Carling J Murray (appointed 1 st June 2020) M Young (appointed 27 th March 2020) J Pherous
Company number	02229894
Registered office	One Carter Lane London United Kingdom 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

CONTENTS

	Page(s)
Strategic report	1 - 2
Directors' report	3 – 5
Independent auditors' report	6 – 7
Income statement	8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 – 29

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The directors present their strategic report for the year ended 30 June 2020.

Review of business

The Company's trading performance for the year decreased due to the significant impact of Covid-19 on the industry resulting in lower Total transactional value. The loss before tax was £3.27m (2019 - profit before tax £2.82m). The Company's balance sheet at 30 June 2020 declined as a result of the loss for the year showing net assets of £3.72m (2019 - £6.52m) mainly due to a decrease in current assets, most notably cash and cash equivalents. This is because of decreased revenue and refunds given to customers. Net cash reduced to £1.66m (2019 - £4.05m)

The Company continues to focus on its key strategic drivers, being:

- Winning new clients and retaining current clients;
- Innovating client tools and internal processes to enhance service to clients and improve internal productivity, and
- Staff engagement

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 teams in UK or through group subsidiaries in France, Germany, Netherlands, Sweden, Switzerland, Norway, Poland, Hungary and Czech Republic.

The principle uncertainties to the business continues to be major disruption to business travel caused by external factors. Brexit and more recently the COVID 19 virus also continues to be a risk to the business due to the impact on the free flow of people within the EU, businesses moving away from the UK and a general decline in business travel.

The Company has unfortunately had to respond to the COVID 19 pandemic by committing to a reorganisation of the business including, but not limited to, redundancies across all areas of the business and reviewing strategic locations of the business in both London and Glasgow. This reorganisation was completed after 30 June 2020 however the statutory consultation period began prior to 30 June 2020 and the amount could be reliably estimated as a redundancy cost. The Company has also relied on government support through the Job Retention Scheme in the UK as support through the COVID 19 pandemic, see note 6.

While the impact COVID 19 is expected to be temporary, the impact is expected to last several years. The Company expects that the redundancies completed and the expected vaccine will lead to a substantial increase in business travel in calendar year 2021, from trading seen in recent months.

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

Key Performance Indicator	Year ended 30 June 2020	Year ended 30 June 2019
Total transactional value (unaudited)	£107,845,478	£172,627,818
(Loss)/profit before income tax	(£3,266,453)	£2,823,688
Current asset ratio (current assets divided by current liabilities)	1.28	1.40

Section 172 (1) statement

As required by Section 172 of the UK Companies Act, a director of a company must act in the way he/she considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interest of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- Need to act fairly between members of the company.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Decision making and acting fairly to members

The Group's strategic goals, performance against budget are discussed at monthly meetings by our Senior Management Team. This is in tandem with the interests and direction of its Australian ultimate parent company.

During the budget process the company considers the expected business for the following year and the improvements to technology when estimating the number of employees required to transact that level of TTV. This expectation is completed on a customer by customer basis with reference to the requirements for each customer.

Interests of company's employees

Our employees are central to the long-term success of our business and as such we ensure all employees have regular reviews. This provides them with the opportunity to discuss in detail their roles, performance and future aspirations.

As part of the reorganisation the Company considered the impact to the employees of redundancies but due to the significant decline of revenue experienced, it was not possible to retain all employees.

Supplier relationships

The Group is very focused on working with like-minded socially responsible suppliers as part of the value proposition at all times.

Impact on community and environment

The Group is very conscious of the environmental challenges we face and the community we operate within. The Group we have committed to offset all the carbon generated by all staff travel for CTM in Europe. Working closely with our new sustainability partner, South Pole, all staff emissions from flights, hotel, rail and car hire, will be offset on an annual basis.

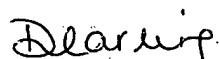
Reputation

The Group's values being Collaboration, Service, Reward, Innovation, Trust and Empowered are constantly endorsed and promoted to ensure we really are acting as one company.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operation existence for the foreseeable future based on a discounted cash flow forecast model. The company continues to adopt the going concern on the basis that the financial liabilities will be settled through the ultimate parent undertaking and has provided written confirmation of their intention to provide any necessary support for 12 months from the date of authorisation of the accounts, to enable the company to trade and meet its liabilities as and when they fall due. The directors have made necessary inquiries to enable them to rely on the support.

On behalf of the board



.....
D Carling - Director

19th November 2020

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and audited financial statements for the year ended 30 June 2020.

Results

The Income Statement is set out on page 8 and shows the profit for the year.

Principal 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 final dividend of £nil (2019 - £nil).

A dividend was paid during the year of £nil (2019 - £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.

Material business risk

The Company's financial prospects are dependent on the strength of the travel industry generally. A decline in the domestic and/or international travel industry, whether as a result of a particular event (such as war, terrorism, health epidemic/pandemic or a natural disaster), economic conditions (such as a decrease in business demand), geopolitical conditions or any other factors, will likely have a material adverse effect on the company's business, financial condition and operations.

The COVID-19 pandemic has caused major disruption to the travel industry as a result of government-imposed travel restrictions, border closures and quarantine requirements. This has resulted in a significant impact on the company's earnings since March 2020. Lower demand and lower travel volume have seen decreases in Transactional revenue as well as Volume based incentive revenue as well as increased risks of supplier defaults. The Company actively engages with suppliers to ensure risk to revenue is reduced through early settlement of amounts owed.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Directors

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

D Carling

J Murray (appointed 1st June 2020)

M Young (appointed 27th March 2020)

S Fleming (resigned 27th March 2020)

J Pherous

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.

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 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 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.

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.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Directors' confirmations

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.

Climate Change

The Group has implemented a sustainability charter which is available at investor.travelctm.com.au. The Group have committed to offset all the carbon generated by all staff travel for CTM in Europe. Working closely with our new sustainability partner, South Pole, our intention is that all staff emissions from flights, hotel, rail and car hire, will be offset on an annual basis.

Greenhouse gas emissions	2020	2019
Scope 1	-	-
Scope 2	22,914 kwh	26,872 kwh
Total gross emissions	<u>22,914</u>	<u>26,872</u>

The carbon calculation was based upon the electricity consumption for respective offices. Monthly meter readings were obtained from the electricity bills and were then multiplied by the respective greenhouse gas reporting conversion factor for that year. The conversion factors were taken from the government website, www.gov.uk.


Presentation of financial statements

The presentation of financial statements continues to be by function as this aligns with the ultimate parent company's consolidated IFRS financial statements.

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



.....
D Carling - Director

19th November 2020

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

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 2020 and of its loss 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 2020; the income statement, the statement of comprehensive income, the statement of changes in equity for the year ended 30 June 2020; 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 where:

- 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.

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 2020 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.

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

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 in respect of the financial statements, 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.

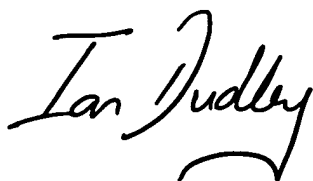
Other required reporting

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

19 November 2020

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

		Year ended 30 June 2020	Year ended 30 June 2019
	Note	£	£
Revenue	5	13,212,321	20,626,442
Other Income	6	1,072,446	-
Total Revenue and other Income		<u>14,284,767</u>	<u>20,626,442</u>
Operating expenses			
Employee benefits	7	(13,607,017)	(13,153,680)
Occupancy		(436,176)	(956,390)
Depreciation, amortisation and impairment		(943,996)	(520,338)
Information technology and telecommunications		(2,491,761)	(2,597,622)
Travel and entertainment		(220,864)	(541,480)
Impairment losses		(504,239)	(81,828)
Administrative and general		719,948	49,199
Total Operating Expenses		<u>(17,484,105)</u>	<u>(17,802,139)</u>
Finance costs	9	(67,115)	(615)
(Loss)/profit before income tax		<u>(3,266,453)</u>	<u>2,823,688</u>
Income tax credit/(income tax expense)	10	770,593	(744,830)
(Loss)/profit for the financial year		<u>(2,495,860)</u>	<u>2,078,858</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
(Loss)/profit for the financial year	(2,495,860)	2,078,858
Total comprehensive (expense)/income for the year	<u>(2,495,860)</u>	<u>2,078,858</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		As at 30 June 2020	As at 30 June 2019
	Note	£	£
ASSETS			
Current assets			
Cash and cash equivalents		1,655,337	4,052,004
Trade and other receivables	14	11,596,006	15,569,356
Income tax receivable	10	636,847	-
Other current assets		406,341	566,608
Total current assets		14,294,531	20,187,968
Non-current assets			
Intangible assets	11	132,203	460,651
Plant and equipment	12	157,216	311,765
Right-of-use assets	13	1,881,407	-
Deferred tax asset	10	36,903	-
Total non-current assets		2,207,729	772,416
TOTAL ASSETS		16,502,260	20,960,384
LIABILITIES			
Current liabilities			
Trade and other payables		10,290,437	13,203,803
Income tax payable		-	991,208
Provisions	17	416,219	185,597
Lease liability	18	473,854	-
Total current liabilities	15	11,180,510	14,380,608
Non-current liabilities			
Deferred tax payable	10	15,052	61,770
Lease liability	18	1,583,317	-
Total non-current liabilities	16	1,598,369	61,770
TOTAL LIABILITIES		12,778,879	14,442,378
NET ASSETS		3,723,381	6,518,006
EQUITY			
Contributed equity	19	132,266	132,266
Reserves		88,359	407,759
Retained earnings		3,502,756	5,977,981
Capital and reserves attributed to owners of the company		3,723,381	6,518,006
TOTAL EQUITY		3,723,381	6,518,006

The notes on pages 12 to 29 are an integral part of these financial statements.

The financial statements on pages 8 to 29 were authorised for issue by the board of directors on 19th November 2020 and were signed on its behalf.

D Carling

.....
D Carling - Director
Company Registration No. 02229894

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Called-up share capital £	Share premium £	Capital redemption reserve £	Share based payment reserve £	Retained income £	Total shareholders' funds £
Balance at 1 July 2018		100,000	32,266	29,000	244,582	3,899,123	4,304,971
Total comprehensive income		-	-	-	-	2,078,858	2,078,858
Movement on share based payment		-	-	-	134,177	-	134,177
Balance at 30 June 2019		100,000	32,266	29,000	378,759	5,977,981	6,518,006
Balance at 1 July 2019		100,000	32,266	29,000	378,759	5,977,981	6,518,006
Impact on the adoption of IFRS 16		-	-	-	-	20,635	20,635
Total comprehensive expense		-	-	-	-	(2,495,860)	(2,495,860)
Movement on share based payment		-	-	-	(319,400)	-	(319,400)
Balance at 30 June 2020		100,000	32,266	29,000	59,359	3,502,756	3,723,381

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. General information

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

A private Company limited by shares 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).
 - (vii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements); and
 - (viii) 40A-D (requirements for a third statement of financial position).
- 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 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 of IFRS 9, 'Financial instruments'.
- Paragraph 129 of IFRS 15, 'Revenue recognition'.
- Paragraph 45(a), (c) and (d) of IFRS 2, 'Share-based payment'.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.1 Basis of preparation (continued)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

New Accounting Standards

This note explains the impact of the adoption of IFRS 16 Leases on the Company's financial statements and discloses the new accounting policy that has been applied from 1 July 2019, where they are different to those applied in prior periods.

IFRS 16 Leases – Impact of adoption

The Company has adopted IFRS 16 using the modified retrospective approach from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore, recognised in the opening Statement of Financial Position on 1 July 2019.

(a) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities for the Group on 1 July 2019 was 2.40%.

	2020 £
Operating leases commitments disclosed at 30 June 2019	1,377,326
Discounted using the lessor's incremental borrowing rate of 2.40% at the date of initial application	(68,476)
Add: Finance lease liabilities recognised as at 1 July 2019	
(Less): short term leases not recognised as a liability	
(Less): low value leases not recognised as a liability	(36,440)
Add/ (less): adjustments as a result of a different treatment of extension and termination options	(58,901)
Lease liability recognised as at 1 July 2019	<u>1,213,509</u>
Of which are:	
Current lease liabilities	488,067
Non-current liabilities	<u>725,442</u>
Lease liability recognised as at 1 July 2019	<u>1,213,509</u>

(i) Practical expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single incremental borrowing rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;
- the use of incremental borrowing rate at 1 July 2019;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.1 Basis of preparation (continued)

(ii) Adjustments recognised in the statement of financial position on 1 July 2019

The change in accounting policy affected the following items in the statement of financial position on 1 July 2019:

- Right-of-use assets – increase by £2,313,020
- Deferred tax liabilities – increase by £40,270
- Lease liabilities – increase by £2,524,968

The net impact on retained earnings on 1 July 2019 was a decrease of £171,678

(b) The Company's leasing activities and how these are accounted for

The Company's leases relate primarily to property leases. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Prior to 1 July 2019, leases of property, plant and equipment were classified as operating leases. Payments (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the assumed lease term (including option where applicable) on a straight-line basis

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds over a similar term secured by a similar asset. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with an assumed lease term (including option where applicable) of 12 months or less. Low-value assets are those assets with an initial value less than £5,634.

Extension and termination options

Extension and termination options are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.1 Basis of preparation (continued)

Going concern

In the opinion of the directors the Company is considered a going concern on the basis that the financial liabilities will be settled through the ultimate parent undertaking has provided written confirmation of their intention to provide any necessary support for 12 months from the date of authorisation of the accounts, to enable the Company to trade and meet its liabilities as when they fall due. The directors have made necessary inquiries to enable them to rely on the support.

Presentation of the financial statements

The presentation of financial statements is by function as this aligns with the ultimate parent company's consolidated IFRS financial statements.

2.2 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 recognised in the income statement within 'Administrative and general'.

2.3 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:

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.

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 and general' in the income statement.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.4 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 cash-generating unit (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 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.

Goodwill is not amortised under UK Companies Act but is tested for impairment annually in accordance with IAS 36, 'Impairment of Assets'.

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.

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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.5 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.

2.6 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.

Financial assets at fair value through profit or loss

Loans and receivables are financial assets that are held and are categorised as fair value through profit or loss. The assets are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other (expenses)/income in the period they arise. Fair values are determined by reference to active market or using valuation techniques where no active market exists.

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.

2.7 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.

2.8 Trade and other receivables

Trade and other client receivables are initially recognised at fair value and, subsequently, measured at amortised cost using the effective interest method, less a provision for impairment in accordance with the simplified approach permitted by IFRS 9.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and client receivables and contract assets.

To measure the expected credit losses, trade and client receivables, contract assets and deposits have been grouped based on their shared characteristics and the days past due.

Contract assets represent balances earned, but which are not yet unconditional and have substantially the same characteristics as trade receivables. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation for the contract asset balances.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.8 Trade and other receivables (continued)

The expected credit loss rates are based on the historical payment profile of receivables prior to 30 June 2020 and 1 July 2019 and the corresponding historical credit losses experienced during this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the clients to settle the receivables.

2.9 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.

2.10 Share capital

Contributed equity is classified as equity in statement of financial position.

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.

2.11 Trade and other payables

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.

2.12 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.

2.13 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.

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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.13 Current and deferred income tax (continued)

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.

2.14 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.

The company operates a number of equity-settled, share-based compensation plans, under which the company receives services from employees as consideration for equity instruments (options) of Corporate Travel Management Limited. The awards are granted by Corporate Travel Management Limited and the company has no obligation to settle the awards. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. A credit is recognised directly in shareholders' funds. The total amount to be expensed is determined by reference to the fair value of the options granted.

The company recognised redundancies costs in the income statement as an employee benefits expense at 30 June 2020 as the statutory consultation process was materially completed and the amount of redundancy expense could be reliably estimated.

2.15 Revenue

Transactional revenue

Transactional revenue is revenue derived from clients and suppliers generated from the provision of travel services to clients. The performance obligation is the facilitation of travel related services on behalf of clients. Transactional revenue is the fixed amount per client transaction and is recognised at either the ticketed date of the travel booking or on the date of travel, depending on the terms of the contract.

Transactional revenue also includes Pay Direct Commission, which is recognised when the performance obligation has been satisfied and the amount of the commission is Highly probable, which is either upon receipt from the supplier or when it is confirmed commissionable by the supplier.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.15 Revenue (continued)

Volume based incentive revenue

Volume based incentive revenue is revenue derived from the contracts with suppliers. The revenue is variable and is dependent upon the achievement of contractual performance criteria specific to each supplier. Revenue is recognised over time and is measured as the amount that is deemed highly probable to be received, which has been determined using the most likely amount method and the group's experience with the contracts.

Other income

Income from Government grants as a result of the COVID-19 pandemic have been recognised in other income. There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance. Government grant income is offset by the cost of retaining the staffs.

2.16 Finance costs

Interest expense is recognised using the effective interest method.

2.17 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.

2.18 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Extension and termination options are included in the building lease of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of the extension and termination options held and exercisable only by the Company and not by the respective lessors. Most extension options have been included in the lease liabilities. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

2.19 Lease liabilities

Accounting policy applied until 30 June 2019

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.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

2.19 Lease liabilities (continued)

Accounting policy from 1 July 2019

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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 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) 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.

(b) 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.

(c) Reorganisation provision

The company has made an estimate of costs associated with reorganisation as a result of the COVID 19 pandemic. These costs have been estimated in conjunction with external advisers and is based on practical experience of the advisers using similar reorganisations to estimate future costs.

(d) Going concern

The company has made an estimate of future cash flow to support the going concern assumption. This estimate is based on past experience of other global events that have caused a travel downturn and while the impact COVID 19 expected to be temporary, the impact is expected to last several years.

There are not considered to be any critical accounting judgements that do not include estimates

4. Financial instruments

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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

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.

	2020	2019
	£	£
Transactional revenue	11,955,615	18,846,275
Volume based incentive revenue	1,256,706	1,780,167
	<u>13,212,321</u>	<u>20,626,442</u>

6. Other income

Income from Government grants as a result of the COVID-19 pandemic have been recognised in Other income.

	2020	2019
	£	£
Government grant	1,072,446	-
	<u>1,072,446</u>	<u>-</u>

7. (Loss)/profit before income tax

	2020	2019
	£	£
Operating loss is stated after charging:		
Wages and salaries	12,209,219	11,795,877
Social security cost	1,148,045	1,190,094
Other pension costs	249,753	167,709
Total staff costs	<u>13,607,017</u>	<u>13,153,680</u>
Foreign exchange (gains)/losses	(176,188)	(94,811)
Amortisation and impairment of intangible assets	328,448	323,451
Depreciation of property, plant and equipment	183,935	196,887
Depreciation of right of use assets	431,613	-
Impairment losses	504,239	81,828
Interest expense on the lease liabilities	42,961	-
Expenses relating to short term assets	21,520	-
Expenses relating to low value assets	37,829	-
Operating lease charges	-	458,585
Auditors' remuneration		
Fees payable for the audit of the company	94,129	72,321
Fees payable to company's auditors for audit-related assurance services	<u>4,900</u>	<u>3,876</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

8. Employees and directors

Employees

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

	2020 No.	2019 No.
Office and administration	48	67
Sales and marketing	250	250
	<u>298</u>	<u>317</u>

Directors

The directors' remunerations were as follows:

	2020 £	2019 £
Remuneration for qualifying services	476,132	-
Defined contribution schemes	21,855	-
	<u>497,987</u>	<u>-</u>

Post-employment benefits are accruing for nil (2019: 2) under defined contribution schemes.

Highest paid director

The highest paid director's remuneration is as follows:

	2020 £	2019 £
Aggregate remuneration	265,928	-
	<u>265,928</u>	<u>-</u>

There is no defined benefit pension scheme.

The remuneration of the Directors represents remuneration for their services as Directors of the Company that is apportioned to Corporate Travel Management (United Kingdom) Limited. In previous years the directors compensation was charged to the parent company, Corporate Travel Management (Europe) Limited.

During the year Corporate Travel Management Limited issued equity-settled, share-based compensation options to key management personnel of the Company. A debit of £319,400 was recognised in the company's shareholders' funds as per IFRS 2, share-based payments.

9. Finance costs

	2020 £	2019 £
Finance costs on balances with group undertakings	24,154	615
Lease liabilities	42,961	-
	<u>67,115</u>	<u>615</u>

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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

10. Income tax credit/income tax expense

Tax credit/ expense included in profit or loss

	2020	2019
	£	£
Current tax:		
U.K Corporation tax credit on (loss)/ profit for the year	(666,150)	579,775
Adjustments in respect of prior years	(61,091)	165,055
Total current tax	<u>(727,241)</u>	<u>744,830</u>
Deferred tax:		
Origination and reversal of timing differences	(43,352)	-
(Tax credit on loss)/ Tax on profit on ordinary activities	<u>(770,593)</u>	<u>744,830</u>

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

The tax credit for the year is higher, (2019: tax charge was higher) than the standard rate of corporation tax in the UK for the year ended 30 June 2020 of 19.00% (2019: 19.00%). The differences are explained on the following page.

	2020	2019
	£	£
Loss/ (profit) before taxation	(3,266,453)	2,823,688
Loss multiplied by the standard rate of tax in the UK of 19.00% (2019: 19.00%)	(620,626)	536,501
Effects of:		
Non deductible expenses	6,591	9,556
Share based payment charge	-	54,864
Other tax adjustments	(95,467)	(21,146)
Provisions adjustment	-	-
Adjustments in respect of prior years	(61,091)	165,055
(Tax credit on loss) / Tax on profit	<u>(770,593)</u>	<u>744,830</u>

The tax rate for the current year remains the same as the prior year at 19%. "In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects are included in these financial statements.

	2020	2019
	£	£
Deferred tax assets		
The balance comprises temporary differences attributable to:		
IFRS 16	(36,903)	-
	<u>(36,903)</u>	<u>-</u>
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Provision	15,052	61,770
	<u>15,052</u>	<u>61,770</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

10. Income tax credit/income tax expense (continued)

Deferred income tax	At 1 July 2019	(Charged)/credited in year via P&L	(Charged)/credited in year via equity	At 30 June 2020
	£		£	£
Deferred tax assets				
IFRS 16	-	3,367	(40,270)	(36,903)
	-	3,367	(40,270)	(36,903)
Deferred tax liabilities				
Provision	61,770	-	(46,718)	15,052
	61,770	-	(46,718)	15,052

11. Intangible assets

	Goodwill	Software	Total
	£	£	£
Cost			
At 1 July 2019	72,500	1,204,569	1,277,069
Additions	-	-	-
As at 30 June 2020	72,500	1,204,569	1,277,069
Accumulated amortisation and impairment			
At 1 July 2019	(72,500)	(743,918)	(816,418)
Amortisation	-	(239,515)	(239,515)
Impairment	-	(88,933)	(88,933)
As at 30 June 2020	(72,500)	(1,072,366)	(1,144,866)
Net book amount at 30 June 2020	-	132,203	132,203
Net book amount			
At 1 July 2019	-	460,651	460,651
Movement during the year	-	(328,448)	(328,448)
As at 30 June 2020	-	132,203	132,203

The software intangible asset includes the company's quality control system which is carried at £1,859 (2019: £17,852) which has been completed and deployed. 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.

Management performed an assessment of the recoverability of future economic benefits of software. Based on this assessment, impairment of £88,933 has been recognised where the future economic benefits reduced as a result of COVID-19 impacts.

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

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

12. Plant and equipment

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Total £
At 1 July 2019			
Cost	556,735	988,613	1,545,348
Accumulated depreciation	(357,948)	(875,635)	(1,233,583)
Net book amount	<u>198,787</u>	<u>112,978</u>	<u>311,765</u>
Year ended 30 June 2020			
Additions	-	29,386	29,386
Depreciation	(116,150)	(67,785)	(183,935)
Closing net book amount	<u>82,637</u>	<u>74,579</u>	<u>157,216</u>
At 30 June 2020			
Cost	556,735	1,017,999	1,574,734
Accumulated depreciation	(474,098)	(943,420)	(1,417,518)
Net book amount	<u>82,637</u>	<u>74,579</u>	<u>157,216</u>

13. Right-of-use assets

	2020 £	2019 £
Buildings - right-of-use	<u>1,881,407</u>	<u>-</u>
	2020 £	2019 £
Recognition on application of IFRS16	2,313,020	-
Depreciation	(431,613)	-
Closing net book value	<u>1,881,407</u>	<u>-</u>
(i) Amounts recognised in the income statement	2020 £	2019 £
Depreciation charge of right-of-use assets	<u>431,613</u>	<u>-</u>
Interest expense (included in finance cost)	42,961	-
Expense relating to short-term leases (included in occupancy expenses)	21,520	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses)	<u>37,829</u>	<u>-</u>
	<u>102,310</u>	<u>-</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

14. Trade and other receivables

	2020	2019
	£	£
Trade receivables	2,537,960	9,511,176
Amounts owed by group undertakings	9,021,987	5,948,989
Other receivables	36,059	109,191
	<u>11,596,006</u>	<u>15,569,356</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 £546,941 (2019: £96,284).

15. Total current liabilities

		2020	2019
		£	£
	Note		
Trade payables		2,982,948	9,398,995
Amounts owed to group undertakings		4,482,446	1,721,415
Corporation tax		-	991,208
Taxation and social security costs		2,051,449	518,555
Other creditors		210	(27)
Accruals and deferred income		773,384	1,564,865
Provisions	17	416,219	185,597
Lease liability	18	473,854	-
		<u>11,180,510</u>	<u>14,380,608</u>

Amounts due to group undertakings are unsecured, carry interest between 0% and 2.98% (2019: between 0% and 2.98%), have no fixed date of repayment and are repayable on demand.

16. Total non-current liabilities

		2020	2019
		£	£
	Note		
Deferred tax liability		15,052	61,770
Lease liability	18	1,583,317	-
		<u>1,598,369</u>	<u>61,770</u>

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

17. Provisions for liabilities

The company had the following provisions during the year:

	Provision for annual leave £	Reorganisation provision £	Deferred tax payable £
At 1 July 2019	185,597	-	61,770
Movement during the year	82,622	148,000	(46,718)
At 30 June 2020	<u>268,219</u>	<u>148,000</u>	<u>15,052</u>

Reorganisation provision

Legal costs relating to a Company reorganisation have been provided for.

There are no unrecognised tax losses or unrecognised tax credits.

18. Lease liabilities

	2020 £	2019 £
Current	473,854	-
Non current	1,583,317	-
Total lease liabilities	<u>2,057,171</u>	<u>-</u>
	2020 £	2019 £
Closing IFRS 16 lease liability	<u>2,057,171</u>	<u>-</u>
	<u>2,057,171</u>	<u>-</u>

19. Share capital

Ordinary shares of £1 each authorised

	£	No.
At 1 July 2019 and 30 June 2020	<u>100,000</u>	<u>100,000</u>

All shares rank pari passu in all respects.

20. Capital and other commitments

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

	2020 £	2019 £
Land and buildings		
Not later than one year	-	535,104
Later than one year and not later than five years	-	602,399
Later than 5 years	-	239,823
	<u>-</u>	<u>1,377,326</u>

There is no current year balance as this now falls under the scope of IFRS 16, 'Leases'.

CORPORATE TRAVEL MANAGEMENT (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

21. 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.

See note 8 for disclosure of the directors’ remuneration.

There are no other related party transactions requiring disclosure.

22. Financial charge over assets

The Group holds a club facility with HSBC Bank and the Commonwealth Bank of Australia. This multi-currency facility includes lines of credit up to GBP 100 million. Security has been provided over CTM Group assets including those of the Company, and subsidiary shareholding to a Security Trustee for the benefit of the financiers.

23. Control

The immediate 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 Level 24 307 Queen Street, Brisbane, Queensland, 4000, Australia. Corporate Travel Management Limited is the largest and smallest group of undertakings for which consolidated financial statements are drawn up. Consolidated accounts for the group are available at www.asx.com.au.