

Advanced Travel Partners UK Limited

Annual Report and financial statements

Year Ended

31 December 2019

Company Number 02515255

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Advanced Travel Partners UK Limited

Report and financial statements for the year ended 31 December 2019

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Directors

A J Waller (Resigned 19 March 2020)
I C Sinderson
A J Knights

Secretaries

Oakwood Corporate Secretary Limited
M K Beacher

Registered office

Space One, 1 Beadon Road, London, W6 0EA

Company number

02515255

Auditors

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

Advanced Travel Partners UK Limited

Strategic report for the year ended 31 December 2019

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activities

The company is a wholly owned subsidiary of ATPH Holdings (Jersey) Limited.

The company is principally engaged in the activity of business travel management. The directors are not aware, at the date of this report, of any likely major changes to the company's principal activities in the next year.

Section 172 (1) Statement

While performing their duties, the directors of the company have acted in accordance with Section 172 of the Companies Act 2006. The following summarises some of the key actions and considerations throughout the year with respect to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006:

Our Culture

As a specialist global travel and events business we strive to deliver what really matters to our customers. Our values underpin everything we do. They define us and how we go about our business.

Integrity: Holding ourselves to the highest standards

Empowerment: Promoting accountability. Encouraging initiative. Recognising achievement.

Innovation: Always asking why. Always challenging. Always searching for a better way.

Service: Putting the customer first. Being proactive. Tailoring solutions. Striving for excellence.

Employees

For our business to be successful, we must manage and develop our talent pool, ensuring appropriate investment in training and skills development. The long-term success of the business is critical on the commitment of our employees as well as how they convey our values to the customer. Throughout the year, the company engaged employees through training programs, webinars and surveys. The directors are mindful of the need to have shared common values in order to achieve the company's goals, and place importance on engaging employees actively.

Engaging Shareholders and Banking Partners

We believe that communication with our shareholders and lenders is key. Shareholders provide a vital source of capital to the business, which is important for the long term success of our business. In the year, a number of consultations between the business and our shareholders took place. The context of these meetings was to provide meaningful trade updates as well as discussion on future outlook and financing matters.

Banking partners provide the capability to enable the company to operate internationally on a day-to-day basis. Communication with banking partners is on a perpetual basis and involves interactions on the subject of credit terms, facilities, bonding requirements as well as other financing areas.

Suppliers

Suppliers provide the resources to enable us to deliver high-quality services to satisfy our customers' expectations. Our strategy values developing existing valued relationships with suppliers whilst identifying opportunities to build new connections with potential future business partners. Throughout the year we engaged a number of suppliers on issues faced by them including product offering limitations and liquidity issues, working closely with them to offer solutions where available.

Risk Management

We provide business critical services to our clients globally. It is important that we effectively identify and manage the risks faced, and our risk-management approach is constantly developing and evolving. See principal risks and uncertainties section for more information.

Advanced Travel Partners UK Limited

**Strategic report
for the year ended 31 December 2019**

Strategy and objectives

The company is principally engaged in the activity of business travel management and the directors of the business intend for this company to remain as such going forward. The company's vision is aligned to that of its ultimate parent company, ATPi Holdings (Jersey) Limited. Together the group's vision is to be the number one travel and events provider of choice for international businesses looking for sector expertise, high-touch service and innovative technology.

The Group, through a combination of international locations, network partnerships and its own pioneering management information technology, provides its clients with sector expertise, global coverage of offices and access to innovative technologies. The group is sector focussed into its core markets of expertise, as set out below:

- ATPi Corporate Travel – To be the leading specialist in travel management for mid-market multinationals where travel is critical to the business.
- ATPi Marine and Energy – To build on our specialist leadership in travel management for the global shipping, energy and resources industries.
- ATPi Corporate Events – To be the obvious specialist partner for companies needing corporate event management tailored for their target groups.
- ATPi Sports Experts – To be the leading specialist provider of hospitality programmes, travel and events logistics for the international sports domain.
- Direct ATPi – To be the obvious specialist partner for multinational organisations requiring access to a global network that supports their travellers and business.

In order to maintain our vision and objectives, we are committed to investing in innovative technology and we continue to invest in providing the highest level of service for corporate travel, specialist sector travel and logistics and full service event management, together with additional services such as duty of care consultancy and arrangement of passports and visas.

Advanced Travel Partners UK Limited

Strategic report for the year ended 31 December 2019 (*continued*)

Principal risks and uncertainties

The business has a strong customer contract portfolio within the mid-market and its customers are from industries including the offshore energy, marine, infrastructure and sports sectors. The lower prices and increased volatility of both the oil price and the shipping indices have led to a degree of uncertainty within the offshore energy market, however organic demand appears to have stabilised during the year. The Group continues to engage proactively with our clients to deliver cost effective, flexible and bespoke travel management solutions. This approach has meant we have signed several new clients throughout the year whilst retaining the majority of our business. In addition, the business operates as an agent and therefore has limited exposure to reductions in ticket pricing. Transaction fees and commissions represent the major source of the Group's income and are, in the main, not impacted by customer down-trading to lower ticket prices. "The Group" is defined as the group of companies under its common ownership.

Financial risk

The directors have considered the risks faced by this company and note that these are similar to the risks faced by the wider group. As part of its ordinary activities, the company is exposed to a number of financial risks, including liquidity risk and credit risk. The company has policies and procedures in place to monitor and manage these risks.

Liquidity risk relates to the company's ability to meet the cash flow requirements of its operations. The company is also party to the group liquidity risk which also relates to avoiding excessive levels of debt and/or breach of its debt covenants.

The company operates within a tight working capital cycle. In order to ensure that sufficient funds are available for ongoing operations and future developments, the company has available to it a mixture of long-term and short-term debt finance.

The directors closely monitor the amount of facilities drawn as part of the cash flow forecasting. As a result of the tight controls, the company has been in a strong operating cash generative position during the year ended 31 December 2019.

The company has strong liquidity with a cash balance of £12,593,713 (2018 - £8,834,403).

Credit risk relates principally to trade receivables from customers. The company assesses all customers and sets appropriate credit limits before trading commences and has detailed policies and procedures to monitor each situation. The company uses credit insurance to further mitigate the risk of bad debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Competitor risk

Competitive pressure is a continuing risk for the company. The company manages this risk by maintaining realistic pricing of its services, whilst providing added value services to customers, and developing innovative solutions to customers' requirements. As a result, the company continues to win business. The primary uncertainty surrounds regulatory change. The company keeps abreast of, and contributes to any ongoing debates, via its involvement in all relevant trade associations.

Covid-19

The outbreak of Covid-19 disease in the early months of 2020 resulted in a number of Governments imposing restrictions on the movement of people within and across borders. As a travel management business a restriction on travel will have an impact on trade, the effects of which are discussed further in note 2 of the accounts. The risk to the business is that Governments impose and maintain these restrictions for a prolonged period of time. Although the directors have considered this risk, they do not anticipate travel restrictions to be a long-term safety measure. The company will continue to monitor the emerging situation and directors will take corrective actions as and when required.

Advanced Travel Partners UK Limited

Strategic report for the year ended 31 December 2019 (*continued*)

Review of the year

The company financial statements presented herein are prepared in pounds Sterling and have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council.

The company generated £26,255,356 in turnover during the year ended 31 December 2019 (2018 - £23,823,234), with operating profit of £6,527,197 (2018 - £5,637,847). The steady turnover balance is due to organic demand in the offshore energy and marine markets, which although declined in 2018, stabilised during the 2019. The increase in operating profit is driven by a decrease in admin expenses, primarily due to staff cost reductions.

The balance sheet shows total net assets of £74,226,691 at 31 December 2019 (2018 - £66,328,461) with the movement solely driven by the profit for the year of £7,898,230 (2018 - £6,620,606).

Staff numbers at the end of the year, excluding directors, were 317 at 31 December 2019 (2018 - 319), remaining broadly consistent year on year.

The directors of the company consider that disclosure of further key performance indicators concerning volumes or booking numbers would be prejudicial to the company.

Future outlook

The future uncertainties facing the business include the UK's departure from the European Union and the effects to trade of the COVID-19 pandemic.

Further commentary on both events is available in note 2 of the accounts.

Inevitably, there will be an adverse impact on the business from COVID-19, although the extent is not yet clear. The Directors are taking all steps to protect our people and mitigate the risk to the business and have a reasonable expectation that the Group should be able to operate within its current facility and meet its covenant tests..

Approval

This strategic report was approved on behalf of the Board on 26th June 2020.



I.C. Sinderson
Director

Advanced Travel Partners UK Limited

Directors' report for the year ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Matters included within strategic report

In accordance with s414C (11) of the Companies Act, included in the Strategic Report is information relating to financial risk management (included within principal risks and uncertainties) and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (financial statements and reports) regulation 2008' to be contained in a Director's Report.

Going concern

After making enquiries, and on the basis outlined in note 2 to the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial risk management objectives and policies

Principal financial risk management objectives and policies have been included with the Strategic Report in accordance with s414C of the Companies Act 2006.

The company's supplier payment policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Dividends

The directors do not propose payment of a dividend (2018 - £Nil). No dividend was paid in the year (2018 - same).

Directors

The directors that served during the year and thereafter were as follows:

A J Waller (Resigned 19 March 2020)
I C Sinderson
A J Knights

Directors indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Advanced Travel Partners UK Limited

Directors' report for the year ended 31 December 2019 (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues, and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons, should, as far as possible, be identical to that of other members of the company.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Auditors

Deloitte LLP resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approval

This directors' report was approved on behalf of the Board on 26th June 2020.



**J C Sinderson
Director**

Advanced Travel Partners UK Limited

Directors' responsibilities statement for the year ended 31 December 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Advanced Travel Partners UK Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ADVANCED TRAVEL PARTNERS UK LIMITED

Opinion

We have audited the financial statements of Advanced Travel Partners UK Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and loss Account, the Balance sheet, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, which indicates the current climate and the potential effects of COVID-19 on the ability of the company to continue as a going concern. As stated in note 2, these events or conditions indicate that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Advanced Travel Partners UK Limited

Independent auditor's report

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

Responsibilities of Directors

As explained more fully in the Directors Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 auditor's 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.

Advanced Travel Partners UK Limited

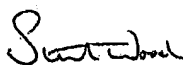
Independent auditor's report

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
Manchester, UK
26th June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Advanced Travel Partners UK Limited

Profit and loss account for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	26,255,356	23,823,234
Administrative expenses		(19,728,159)	(18,185,387)
Operating profit		6,527,197	5,637,847
Finance income	5	3,791,655	3,249,628
Finance costs	5	(483,960)	(649,092)
Profit before taxation	6	9,834,892	8,238,383
Taxation	8	(1,936,662)	(1,617,777)
Profit for the year		7,898,230	6,620,606

All amounts relate to continuing activities.

There have been no other comprehensive income or expenses in the current and prior years other than the profit reported above. Consequently, a separate statement of comprehensive income has not been presented.

The notes on pages 14 to 30 form part of these financial statements.

Advanced Travel Partners UK Limited

Balance sheet at 31 December 2019

Company number 02515255	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	9		-		5,137
Tangible fixed assets	10		2,549,982		176,976
Investments	11		30,004		30,004
			<u>2,579,986</u>		<u>212,117</u>
Current assets					
Debtors - due within one year	12	81,312,275		86,488,623	
Cash at bank and in hand		12,593,713		8,834,403	
		<u>93,905,988</u>		<u>95,323,026</u>	
Creditors: amounts falling due within one year	13	(20,558,486)		(29,206,681)	
Net current assets			<u>73,347,502</u>		<u>66,116,345</u>
Total assets less current liabilities			<u>75,927,488</u>		<u>66,328,462</u>
Creditors: amounts falling due after more than one year	14		(1,700,797)		(1)
Net assets			<u>74,226,691</u>		<u>66,328,461</u>
Capital and reserves					
Called up share capital	17		182,001		182,001
Share premium account			972,999		972,999
Profit and loss account			73,071,691		65,173,461
Shareholder's funds			<u>74,226,691</u>		<u>66,328,461</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26th June 2020.


A C Sinderson
Director

The notes on pages 14 to 30 form part of these financial statements.

Advanced Travel Partners UK Limited

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 January 2018	182,001	972,999	58,552,855	59,707,855
Profit and total comprehensive income for the year	-	-	6,620,606	6,620,606
Balance at 31 December 2018	182,001	972,999	65,173,461	66,328,461
Profit and total comprehensive income for the year	-	-	7,898,230	7,898,230
Balance at 31 December 2019	182,001	972,999	73,071,691	74,226,691

The notes on pages 14 to 30 form part of these financial statements.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements for the year ended 31 December 2019

1 General information

Advanced Travel Partners UK Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on the contents page. The nature of the company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

2 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The company meets the definition of a qualifying entity under FRS 100 'Financial Reporting Standard 100' issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group financial statements of ATPH Holdings (Jersey) Limited. Details of the parent in whose consolidated financial statements the company is included are shown in the notes to the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, financial instruments, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of ATPH Holdings (Jersey) Limited. The group financial statements of ATPH Holdings (Jersey) Limited are available to the public and can be obtained as set out in note 20 to the financial statements.

Going concern

The directors' make a combined assessment on going concern with respect to the Group and the company as the forecasts and range of possible scenarios on the financial position have been assessed as such, with considerations to the principal risks and uncertainties as set out in the Strategic Report.

The company is profit making and in a net assets position. In considering the appropriateness of the going concern basis of preparation, the directors have considered the company's forecasts for the next 12 months from the date of signing of the 2019 financial statements. These forecasts show that sufficient resources remain available to the business for the next 12 months after taking account of reasonably possible changes in trading performance.

The company is party to the banking arrangements of the ATPH Holdings (Jersey) Limited Group (the 'Group'). Therefore, the directors of the company have considered the assumptions and conclusions of Group's management in making their assessment of going concern on a Group basis and are cognisant of the following disclosure which appears in the financial statements of the Group for the year ended 31 December 2019:

"The Group has bank loans of £93,723,000 excluding overdrafts as at 31 December 2019 (2018 - £95,666,000) which are subject to covenant restrictions. Of this, £4,000,000 is due within one year and the remainder is not repayable until 30 June 2021. The Group's revolving credit facilities of £36,700,000, are committed until 30 June 2021. In light of the maturity of its existing bank loans, the directors are considering a number of available options for the longer term financing of the Group beyond 2021.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Going concern (continued)

The Board has considered and debated a range of substantial possible scenarios on the Group's operations, financial position and forecasts covering a period of at least the next 12 months to June 2021. These take into account sensitivity analysis and stress testing performed on the forecasts to assess the impact of Covid-19 including restrictions on travel and the resulting impact on revenue and cash flows together with mitigating actions taken including cost reductions and utilising government assistance programmes. Taking into account reasonable possible changes in trading performance along with other mitigating factors available to them, the Directors have a reasonable expectation that the Group should be able to operate within its current facility and to satisfy any upcoming covenant conditions. In the event an adverse scenario from COVID-19 were to impact the Group's ability to meet a future covenant condition, management believe an amendment would be agreed with lenders and that existing facilities would remain available. If a covenant condition were to be breached, the bank loans and facilities may be repayable on demand in which case the Group would need alternative funding.

After review of the forecasts along with mitigating factors available to them, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence and to satisfy any upcoming covenant conditions in the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements. However, the Directors acknowledge that at the date of approval of these financial statements, there is a material uncertainty over the potential future impact of COVID-19 on the travel industry and potential adverse scenarios could affect the Group's ability to meet future covenants and re-finance its bank loans and facilities, which may cast significant doubt about the Group's and Company's ability to continue as a going concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern."

Post balance sheet events

On the 29 March 2018, the United Kingdom invoked Article 50 of the Treaty of Lisbon, beginning the process of withdrawing from the European Union. On the 31 January 2020, the UK officially left the European Union beginning an 11 month transition period in which to agree exit terms. At present, there remains some uncertainty as to the exact terms of the United Kingdom's departure from the European Union, with the UK bound by existing EU relations and legislation until such time as terms are formally agreed or the transition period deadline of 31 December is reached, whichever comes earlier. Although this creates a variety of uncertainties, the company is not expecting the withdrawal to notably impact the business at this time, although the ongoing effect on the business will only become clear once negotiations have finalised.

On 7 January 2020, The World Health Organisation (WHO) announced the discovery of a virus known as COVID-19. The virus originated in China and as at 30 May 2020, had spread to 213 countries globally and was categorised as a pandemic by the WHO. The efforts of national governments to contain the virus include measures such as restricting the movements of people, issuing advice against travel to certain regions and prohibiting certain business activities, the results of which have impacted revenue for the year ended 31 December 2020. The Directors have taken decisive action to mitigate against the financial performance and liquidity impact of any reduction in volume of trade. Management expect the impact and extent of any business disruption to be short term in nature and traded volumes to trend towards normalised levels after government restrictions are lifted. However, due to the uncertainty regarding the future impact on operations and the uncertainty surrounding implementation of government policies to manage this ongoing outbreak, it is difficult to determine and quantify the financial impact there may be on the business going forward.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Post balance sheet events (continued)

In addition, the directors of the company have considered the assumptions and conclusions of Group's management in making their assessment of post balance sheet events on a Group basis and are cognisant of the following disclosure which appears in the financial statements of the Group for the year ended 31 December 2019:

"The Board has considered and debated a range of substantial possible scenarios on the Group's operations, financial position and forecasts covering a period of at least the next 12 months. Management have engaged with the lenders and future bank covenants have been amended in May 2020 to reflect a reforecast for the next 12 months, given expected COVID-19 impact. Taking into account reasonable possible changes in trading performance along with other mitigating factors available to them, the Directors have a reasonable expectation that the Group should be able to operate within its current facility and to satisfy any upcoming covenant conditions. In the event an adverse scenario from COVID-19 were to impact the Group's ability to meet a future covenant condition, management believe an amendment would be agreed with lenders and that existing facilities would remain available.

After review of the forecasts along with mitigating factors available to them the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future."

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation. Cost is defined as expenditure directly attributable to the acquisition of the item.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	- 3 years
Office fixtures, fittings and equipment	- 4 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in administrative expenses on a straight-line basis over their estimated useful lives which is 3 – 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

2 Accounting policies (*continued*)

Impairment of tangible and intangible fixed assets

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment of tangible and intangible fixed assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

2 Accounting policies *(continued)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Retirement benefit costs

The company operates a number of defined contribution pension schemes. The pension charge for the year ended 31 December 2019 represents contributions payable to individual pension plans of employees. Differences between contributions payable in the year ended 31 December 2019 and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in foreign currencies are initially recorded by the company at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Cash and cash equivalents

Cash and cash equivalents includes bank balances and deposits with original maturities of 90 days or less. Bank overdrafts, where there is no right of set-off, are shown as borrowings within current liabilities.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

2 Accounting policies (continued)

Financial instruments

Financial instruments are recorded initially at fair value net of issue costs incurred. Subsequent measurement depends on the designation of the instrument as noted below.

All recognised financial assets and liabilities that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortised cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The company applies a simplified approach and recognises lifetime ECL on trade and other receivables, all bank balances have been deemed to have a low credit risk at each reporting date as they are held with reputable institutions.

The directors have concluded that it would require undue cost and effort to determine the credit risk of each intercompany loan on their respective dates of initial recognition. These loans are also assessed to have credit risk other than low. Accordingly, the Company recognises lifetime ECL for these loans until they are derecognised.

Financial assets

The company classifies its financial assets as either at fair value through profit or loss or amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

At fair value through profit or loss – Financial instruments at fair value through profit or loss are financial instruments held for trading. A financial instrument is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Financial instruments in this category are classified as current assets or liabilities.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

2 Accounting policies (*continued*)

Financial assets (continued)

Amortised cost – 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 where expected maturity is greater than 12 months after the balance sheet date which are classified as non-current assets. The company's loans and receivables comprise trade and other debtors and cash and cash equivalent assets in the Balance Sheet.

Regular 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 for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, the company no longer has control of the asset, and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the profit and loss account in the period in which they arise. Trade debtors are recognised initially at fair value with subsequent provision for impairment, which is calculated under the ECL model as discussed above.

Financial liabilities

The company classifies its financial liabilities as either at fair value through profit or loss or amortised cost. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are held at amortised cost and are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Exchange movements on long term foreign currency borrowings are taken to reserves to the extent that the borrowing is in the functional currency of the obligor and to the Income statement to the extent they are not.

Net finance costs are recognised as an expense in the year in which they are incurred. Debt issue costs are amortised proportionally over the anticipated life of the relevant debt facility using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. A financial liability is a contractual obligation to deliver cash or another financial asset to a third party.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

2 Accounting policies (*continued*)

New and amended IFRS standards that are effective in the year

IFRS 16

The Company has initially adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognised right-of-use assets recognising its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting is not applicable to the Company but would have remained the same under IFRS 16 if it were.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings on 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

A) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an arrangement contains a lease. The Company now assesses whether a contract is or contains a lease based on a new definition of a lease. Under IFRS 16, a contract is, or contains a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not re-assessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone process.

B) As a lessee

The Company leases many assets including property, vehicles and IT equipment.

As a lessee the Company previously classified leases based on its assessment of whether a lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases i.e. these leases are on-balance sheet.

However, the Company has elected to not recognise right-of-use assets and lease liabilities for leases of low-value assets and leases with terms of less than 12 months.

The Company presents right-of-use assets separate to tangible fixed assets that it owns. The carrying amounts of right-of-use assets, by nature of asset, are disclosed in note 10.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

New and amended IFRS standards that are effective in the year (continued)

i) Transition

Previously, the Company classified leases as operating leases under IAS 17. The leases typically run for periods of 2 to 5 years, but some property leases exist with significantly longer terms. Some property leases include an option to extend the lease for periods of typically 3 years and some of the longer leases have termination options, "break clauses", (some with penalties). Some leases also provide for rent changes based on local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate (in the jurisdiction the lease resides) as at 1 January 2019.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Excluded initial direct costs from measuring the right-of-use asset at the date of initial applications.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

C) Impacts on the financial statements

i) Impacts on transition

On transition to IFRS 16, the Company recognises additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings, net of deferred tax. The impact on transition is summarised below.

	Note		At 1 January 2019 £000
Right-of-use asset presented in property, plant and equipment	10	Dr	3,051
Lease liabilities	10	Cr	3,051

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rates in the jurisdictions in which the leases are located.

ii) Impacts for the period

In relation to those leases under IFRS 16, the Company has recognised depreciation and interest costs, instead of operating lease expense. During the year ended 31 December 2019, the Company recognised £731k of depreciation charges and £160k of interest costs from these leases.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

3 Critical accounting judgements and key sources of estimation uncertainty

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.

Critical accounting judgements

The principal management judgement made in preparation of these financial statements is:

- The recoverability and provisioning in respect of trade debtors. Measures in place include set credit terms for customers, monitoring of cash receipts and continued correspondence with customers. Provisions are made in respect of specific trade debtor balances based on an individual case-by-case basis e.g. customers entering administration. This also links to credit risk as detailed in Principal risks and uncertainties within the Strategic Report.
- The evaluation of the recoverability of deferred tax assets (see note 15), which depends on the assessment of the probability that there will be sufficient appropriate taxable profits available in future against which to realise them. This assessment is done using financial forecasting.

The directors do not consider that the amounts recognised in the current year financial statements have been significantly affected by any key sources of estimation made in the process of applying the Company's accounting policies.

4 Turnover

Turnover represents amounts derived from the provision of services which fall within the company's principal activities after deduction of value added tax. In accordance with its primary role as intermediary, revenue is recorded at the margin rather than the amount invoiced to customers and is recorded when the performance obligation has been satisfied, normally on confirmation of customer booking in accordance with standard terms and conditions. Revenue derived from event management is not recognised until the event takes place, when ATPI's performance obligation has been met. All turnover is derived from the principal activity of the company, that of a travel management company which was carried out totally within the United Kingdom.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

5 Finance income and finance costs

	2019 £	2018 £
Finance income		
Interest on intercompany loans	3,791,655	3,249,628
Finance costs		
Bank interest	(305,764)	(628,790)
Interest on lease liabilities	(159,864)	-
Interest on intercompany loans	(18,332)	(20,302)
	<u>(483,960)</u>	<u>(649,092)</u>
Net finance income	<u>3,307,695</u>	<u>2,600,536</u>

6 Profit before taxation

	2019 £	2018 £
Profit for the year has been arrived at after charging:		
Net foreign exchange gains	(83,554)	(320,467)
Depreciation of leasehold assets	730,540	-
Depreciation of tangible fixed assets	113,738	148,089
Amortisation of intangible assets	5,137	5,391
Operating lease rentals	245,236	898,141
Staff costs (see note 7)	11,192,658	11,252,495
Fees payable to the company's auditor in respect of: The audit of the company's financial statements	<u>97,000</u>	<u>87,001</u>

There were no fees in respect of non-audit services in the current or prior year.

7 Staff costs

	2019 £	2018 £
Their aggregate remuneration comprised:		
Wages and salaries	9,713,843	9,832,175
Social security costs	933,548	938,637
Other pension costs (see note 18)	<u>545,267</u>	<u>481,683</u>
	<u>11,192,658</u>	<u>11,252,495</u>
The average monthly number of employees (including executive directors) was:	Number	Number
Sales and administration	<u>318</u>	<u>321</u>

No remuneration has been paid to the directors by the company in the current year or prior year. All emoluments have been borne by the ultimate parent company and have not been recharged (2018 - same).

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

8 Taxation

The tax credit comprises:

	2019 £	2018 £
<i>Corporation tax</i>		
Current tax on loss in year	(1,832,617)	(1,565,292)
Adjustments in respect of prior years	(709)	(43,064)
	<u>(1,833,326)</u>	<u>(1,608,356)</u>
<i>Deferred tax</i>		
Current year charge	(103,336)	(9,421)
	<u>(1,936,662)</u>	<u>(1,617,777)</u>

Corporation tax is calculated at 19% (2018 - 19%) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2019 £	2018 £
Profit before tax	<u>9,834,892</u>	<u>8,238,382</u>
Tax on profit at standard UK corporation tax rate of 19% (2018 - 19%)	(1,868,630)	(1,565,292)
Effects of:		
Effect of other taxes	(103,336)	(9,421)
Expenses not deductible/income not taxable for tax purposes	36,013	-
Adjustments to tax charge in respect of previous periods	(709)	(43,064)
Total tax credit for year	<u>(1,936,662)</u>	<u>(1,617,777)</u>

The standard rate of tax applied to the reported loss is 19%. The applicable tax rate changed from 20% to 19% from 1 April 2017 following the enactment of Finance Act (No 2) 2015. Following the enactment of Finance Act 2020 in March 2020, the standard rate of corporation tax will remain at 19%, effective from 1 April 2020 onwards. The rates are ratified within Finance Act 2020, which received Royal Assent in March 2020. Deferred tax has been calculated using these rates based on the timing of when each individual deferred tax balance is expected to reverse in the future.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

9 Intangible assets

	Software and licences £
<i>Cost</i>	
At 1 January 2019	815,607
At 31 December 2019	815,607
<i>Amortisation</i>	
At 1 January 2019	810,470
Charged during the year	5,137
At 31 December 2019	815,607
<i>Net book value</i>	
At 31 December 2019	-
At 31 December 2018	5,137

10 Tangible fixed assets

	Computer equipment £	Office fixtures, fittings and equipment £	Right of Use Asset £	Total £
<i>Cost</i>				
At 1 January 2019	2,923,850	1,970,152	-	4,894,002
IFRS 16 Transition Adjustment	-	-	3,050,687	3,050,687
Additions	135,079	31,518	-	166,597
Disposals	(43,963)	-	-	(43,963)
At 31 December 2019	3,014,966	2,001,670	3,050,687	8,067,323
<i>Depreciation</i>				
At 1 January 2019	2,857,995	1,859,031	-	4,717,026
Charged during the year	71,197	42,541	730,540	844,278
Disposals	(43,963)	-	-	(43,963)
At 31 December 2019	2,885,229	1,901,572	730,540	5,517,341
<i>Net book value</i>				
At 31 December 2019	129,737	100,098	2,320,147	2,549,982
At 31 December 2018	65,855	111,121	-	176,976

The adoption of IFRS 16 resulted in the creation of a right of use asset of £3.1m from 1 January 2019. This is a brought forward transition adjustment relating to the right of use asset. See note 2 for more detail.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

11 Investments in subsidiaries

Subsidiary undertakings	£
<i>Cost</i>	
At 31 December 2018 and 31 December 2019	30,004
<i>Provisions for impairment</i>	
At 31 December 2018 and 31 December 2019	-
<i>Net book value</i>	
At 31 December 2018 and 31 December 2019	30,004

Details of the company's subsidiaries at 31 December 2019 are as follows. Unless otherwise indicated, all ownership interests are in the 100% of the ordinary share capital of the investee and 100% of voting power is held.

Name	Place of incorporation (or registration) and operation	Principal activity
Odysseus (UK) Limited	England & Wales	Dormant
Advanced Travel Partners Limited	England & Wales	Travel Management Company
ATP UK Trustees Limited	England & Wales	Employee Benefit Trust
ATP UK Limited	England & Wales	Transport Company
ATPI Group Limited	England & Wales	Intermediate Holding Company

The investments in subsidiaries are all stated at cost less provision for impairment. All companies share the same registered address as Advanced Travel Partners (UK) Limited detailed in Company registered office above.

12 Debtors – due within one year

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	9,197,698	11,784,549
Allowance for doubtful debts	(127,037)	(143,970)
	9,070,661	11,640,579
Amounts owed by parent undertaking	68,527,239	69,992,772
Amounts owed by other group undertakings	1,135,049	834,818
Prepayments and accrued income	2,368,046	3,717,337
Other debtors	11,499	-
Deferred tax asset (note 15)	199,781	303,117
	81,312,275	86,488,623

Advanced Travel Partners UK Limited

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

12 Debtors – due within one year *(continued)*

Trade debtors disclosed above are classified as unsecured loans and receivables and are therefore measured at amortised cost. The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Intercompany balances arising from trading items are due within 30 days following invoice. There is no interest payable on these unsecured balances. Other short-term unsecured intercompany balances are repayable on demand and interest is charged at 4.25% above the base rate.

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	16,422,596	15,958,281
Amounts owed to group undertakings	586,195	3,712,681
Other taxes and social security	388,191	305,526
Accruals and deferred income	2,484,905	7,664,898
IFRS 16 Lease Liability	676,599	-
Corporation tax	-	1,565,295
	<u>20,558,486</u>	<u>29,206,681</u>

The directors consider that the carrying amount of trade creditors, which are unsecured, approximates to their fair value.

Intercompany balances arising from trading items are due within 30 days following invoice. There is no interest payable on these unsecured balances. Other short term intercompany unsecured loans are repayable on demand and interest is charged at 4.25% above the base rate.

14 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Due after more than five years		
Preference shares classified as debt	1	1
IFRS 16 Lease Liability	1,700,796	-
	<u>1,700,797</u>	<u>1</u>

The preference share has no right to the equity of the company and has a fixed right to dividend payments. In line with the accounting policy for financial liabilities, this preference share is classified within liabilities. Distribution of £Nil in 2019 (2018 - £Nil) was made.

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 *(continued)*

15 Deferred tax

Deferred tax is provided as follows:

	Accelerated capital allowances £	Temporary differences £	Total £
At 1 January 2018	250,714	61,824	312,538
Charge to profit or loss	-	(9,421)	(9,421)
At 31 December 2018	250,714	52,403	303,117
Charge to profit or loss	(50,933)	(52,403)	(103,336)
At 31 December 2019	199,781	-	199,781

16 Operating lease commitments

At the balance sheet date, the undiscounted maturity analysis of lease liabilities is as follows:

	2019 £	2018 £
Due within one year	712,120	608,348
From one to five years	1,645,526	1,593,874
After five years	392,000	588,537
	2,749,646	2,790,759

Operating lease commitments mainly represent arrangement for the occupation of office properties. Property leases are arranged taking into account local market conditions to secure the use of offices with economical rentals. At 31 December 2019, on average, property leases had 24 months to run (2018 - 32 months).

At the balance sheet date, the Group had discounted Lease liabilities included in the statement of financial position as follows:

	2019 £
Current	676,599
Non-Current	1,700,796
	2,377,395

Advanced Travel Partners UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

17 Share capital and reserves

	2019 £	2018 £
<i>Allotted, authorised and fully paid</i>		
182,001 ordinary shares of £1 each	182,001	182,001

In addition to the ordinary shares above, the company has in issue a single fully paid preference shares at £1. The ordinary shares rank equally in the distribution of the full equity funds of the company after repayment of the issue price of the £1 preference share, together with any accrued dividends payable.

Reserves

All reserves as stated in the statement of changes in equity.

18 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for employees. The assets of the schemes are held separately from those of the company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions.

The total pension cost charge represents contributions payable by the company in the year, to the scheme, and amounted to £545,267 (2018 - £481,683). The pension creditor at 31 December 2019 was £78,812 (2018 - £63,615).

19 Related party transactions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions between wholly-owned member companies of the ATPH Holdings (Jersey) Limited group. Related party balances are disclosed in the accounts of ATPH Holdings (Jersey) Limited.

20 Controlling party

The company's immediate parent undertaking is ATP International B.V., which is registered in the Netherlands. In the opinion of the directors, the company's ultimate controlling party is Intermediate Capital Group plc, a company incorporated in the United Kingdom. The ultimate parent undertaking of the largest and smallest group, which includes the company and for which financial statements are prepared, is ATPH Holdings (Jersey) Limited, a company registered in Jersey registered office Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The non-statutory financial statements of ATPH Holdings (Jersey) Limited are publically available from Space One, 1 Beadon Road, London, W6 0EA.