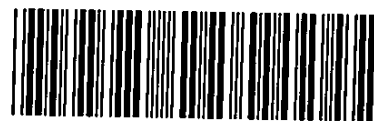


Company Registration No. 04051797

Opodo Limited

Report and Financial Statements

For the Year Ended 31 March 2020



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Opodo Limited
Report and financial statements 2020

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Opodo Limited
Report and financial statements 2020

Officers and professional advisers

Directors

D Dunne
D Elizaga

Registered Office

26-28 Hammersmith Grove
Hammersmith
London
W6 7BA

Bankers

Barclays Bank PLC
Deutsche Bank AG

Auditor

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 2DT

Opodo Limited

Report and financial statements 2020

Strategic report

The directors present their strategic report for the year ended 31 March 2020, along with comparative information for the year ended 31 March 2019. The directors, in preparing the strategic report, have complied with section 414 of the Companies Act 2006.

Principal activity

The principal activity of Opodo Limited ("the Company") continues to be the operation of online travel websites, providing travel agency services including the marketing and distribution of airline seats, hotel bookings, car hire and travel insurance. The Company operates websites in the United Kingdom, France, Germany, Austria, Portugal and Spain. Opodo Limited is a wholly owned subsidiary of the ultimate parent company eDreams ODIGEO, S.A. which, along with its direct and indirect subsidiaries, are collectively referred to as "the Group". The Company prepares its results in Euros.

Subsequent to the current reporting period, there has been a change to the Company's business activities, explained further in the Directors' report and in note 22.

Business review

The Company's revenue was €212,313 thousand (2019: €197,140 thousand) and the Company's operating profit was €22,328 thousand (2019: €43,200 thousand). The Company generated a profit from continuing operations of €13,772 thousand (2019: profit of €25,945 thousand).

On 28 May 2019, the Company announced an operational optimisation plan to streamline operations to focus its efforts on its innovation and technology expertise. In line with the new operational structure, the Company's traditional customer service activities will be operated by best-in-class partner companies that specialise in customer service solutions. The Company concluded a consultation to restructure its customer service functions performed in Berlin. It carried out this process in close collaboration with employees in order to find the most suitable solution. The Company has recognised an expense of €4,577 thousand in restructuring costs (€1,146 thousand in personnel expenses and €3,431 thousand in other operating expenses).

Impact of COVID-19

COVID-19 was initially detected in China in December 2019, and over the subsequent months, the virus spread to other regions, including to the Company's main markets in Europe. On 11 March 2020, the World Health Organization declared that the rapidly spreading COVID-19 outbreak was a global pandemic.

In response to the pandemic, many countries have implemented measures such as "stay-at-home" policies, travel restrictions and other community and physical distancing measures such as the cancellation of mass gatherings, closure of educational institutions and public spaces.

These measures have led to a significant decrease in bookings across the travel sector, as well as an unparalleled level of flight cancellations. They have forced many of our business partners, such as airlines and hotels, to seek government support to continue operating, to drastically reduce their service offerings or to suspend operations altogether.

Further, these measures have materially adversely affected, and may further affect travellers' behaviours, even if the Company still believes the desire to travel, explore and experience the world is undiminished and will return.

Due to the strength of the Company's finances and the mitigating actions taken during the COVID-19 pandemic, the business is well positioned to emerge strongly from the crisis. However, due to the uncertainty of the situation the Company is unable to estimate precisely the impact that the COVID-19 pandemic will have on its business going forward.

Management has always adopted a prudent approach to its cost base and capital expenditure. Under the current circumstances, the Company has implemented cost-saving measures to minimise the temporary impact of the health crisis, such as the temporary reduction of employees' working hours.

The Company has access to funding from its €175 million Super Senior Revolving Credit Facility (SSRCF), of which €109.5 million has been drawn down as at 31 March 2020, to manage the liquidity requirements of its operations. In April 2020, the Company obtained a waiver from its lenders regarding the only covenant of Gross Leverage Ratio, achieving further financial flexibility for the Company.

Opodo Limited

Report and financial statements 2020

Strategic report (continued)

Impact of COVID-19 (continued)

The Company will have sufficient funding available to increase marketing spend and to support the necessary short-term investment in working capital to meet the anticipated increase in demand, and to capitalise on commercial opportunities that present themselves. Even in more pessimistic scenarios, the Company will be able to protect its leading market position for any paced recovery in demand.

The Company's financial statements have been prepared on a going concern basis, as Management considers that the Company is in a strong financial and liquidity position and that prudent management actions since the beginning of the crisis have secured the Company's position to ensure a rapid return to full operational effectiveness once normal activity resumes.

The main impacts of COVID-19 on the Company for the year ended 31 March 2020 are as follows:

- Reduction of trading activities in the last weeks of February and the month of March, with year-on-year reduction in bookings of up to 95% by the end of March.
- Forward-looking information for the calculation of the allowance for doubtful debts includes consideration of the impact of COVID-19 on the financial situation of the Company's customers. A deep analysis, especially for airlines, has been carried out to estimate potential significant financial difficulties. To reflect the additional expected credit losses linked to COVID-19, an additional impairment of €1.363 thousand has been recognised (see note 10).
- As a direct consequence of the travel restrictions, the volume of cancellations has and might in the future significantly increase, negatively impacting the Company's commission revenue.
- Another consequence of the "stay-at-home" practices, travel restrictions and the increased risk of bankruptcies from our travel suppliers is the higher volume of booking cancellations, exposing the Company to higher risk of customer chargebacks. Voluntary chargebacks and refunds from booking cancellations have been claimed by the Company to its suppliers, as it is its right.

The scope of the future effects of the COVID-19 pandemic on the Company's operations, cash flows and growth prospects is very uncertain and depends on future developments. These include, among others, the severity, extent and duration of the pandemic and its impact on the travel industry and consumer spending in general.

Even when the economic and operating conditions improve, the Company cannot predict the long-term effects of the pandemic on its business or on the travel industry in general. If the COVID-19 pandemic radically changes the travel industry in ways that are damaging to the operating model of the Company, the Company's business may be adversely affected even as the global economy recovers.

Stakeholder engagement

The directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, taking into account the factors as listed in section 172 of the Companies Act 2006. Engagement with stakeholders and wider stakeholder groups plays a vital role throughout the business. By understanding the key stakeholders, the Company and the Board can factor into discussions the potential impact of decisions on each stakeholder group and consider their needs and concerns. Set out below are the Company's key stakeholders and how the Board and the Company address its non-profit related responsibilities.

Employees

The Company believes in the importance of attracting and retaining the most qualified and accomplished workforce, equipped with the talent and skills to support its aspirations as a global technology leader in the travel sector. In doing so, the Company strongly promotes diversity and inclusion, equal opportunity, fair compensation and a safe working environment. Employees have access to a wide variety of learning and development resources offered by the Company's dedicated learning and development team. The Company engages regularly with all employees through its internal communications channel, allowing employees to keep up to date with Company news and providing a forum for connecting with other employees across the business. Employee engagement surveys are conducted on an annual basis to understand employees' feedback, and to constructively respond to this to increase engagement levels. The Company also has a performance recognition program, which allows employees nominated by their colleagues to be recognised and rewarded for their achievements.

Opodo Limited

Report and financial statements 2020

Strategic report (continued)

Stakeholder engagement (continued)

Leisure customers

Maintaining and growing the leisure customer base is vital to the ongoing success of the Company. As such, the Company has focused on ways to attract new customers as well as promote customer loyalty. The Company launched a new service over two years ago called Prime that offers members exclusive discounts on flights. Prime has been successful, with bookings having grown significantly since its launch. For the business, the model guarantees a stable source of income, a considerable reduction in acquisition costs as well as strengthened customer loyalty and higher booking repeat rates. The Company has also invested heavily in improving customer experience by focusing on unique end-to-end journey management, the mobile platform, diversification and customer service.

Suppliers and partners

To offer customers the most suitable products, the Company works closely with aggregators, airlines, tour operators, hotels, car rental companies and destination services supply partners. The Company compares prices across suppliers and offers the customers the best options for their travel needs. The Company's partners and suppliers also benefit from information on trends and behavior habits that the Company collects from its leisure customer base. Access to the extensive pool of customers enables them to reduce their costs of acquisition, increase their reach and take advantage of the customer service covered by the Company for all products sold through the Company's platform.

Regulatory bodies

Compliance with regulations and standards set by regulatory bodies and associations is vital to the Company's reputation and relationship with other stakeholders. The Company has a dedicated team that deals with compliance with regulations and ensures that it regularly reports on the range of regulatory issues and engagement outcomes to the Board. The Company is strongly committed to fair competition and trade practices in the sector in which it operates.

Principal risks and uncertainties

The following factors may affect the Company's operating results, financial condition and the value of the Company's shares. The risk factors described below are those, which the directors believe, are potentially significant but this should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

Trading risks

The trading performance of the Company may be affected by a number of factors outside its control, including:

- Global pandemics (such as the current COVID-19 outbreak) and subsequent threat to traveller health & safety, worldwide economic shutdown and closure of national borders and airspace;
- localised events affecting travel safety such as natural disasters, political and social instability, wars and terrorist activity, or localised epidemics;
- general economic and political conditions in the core countries in which it operates (such as Brexit);
- changes in current laws, rules and regulations and other legal uncertainties;
- deterioration in the financial condition or restructuring of operations of one or more of its major suppliers;
- conditions required for obtaining and maintaining certain licenses or accreditations, especially IATA;
- exposure to seasonal fluctuations and impact on comparability of quarterly and yearly results; and
- dependence on the level of internet penetration.

These factors may affect the Company by reducing demand, as its potential customers choose not to, or become unable to, travel. Reductions in demand in an industry with capacity, that in the short term is fixed, that leads to overcapacity with associated pressure on margins.

These factors may also affect booking patterns, as increased political and economic uncertainty may lead to an increased propensity for customers to book closer to departure, which as a result of relative inflexibility of capacity, increases the risk that unsold holidays will have to be sold at significantly reduced margins or at a loss.

Opodo Limited

Report and financial statements 2020

Strategic report (continued)

Principal risks and uncertainties (continued)

There are a number of potential trading risks that could potentially affect the Company that are largely within its control. Management has implemented procedures and taken steps to mitigate these factors where applicable, however such risks may include:

- Failures in technology due to system interruption or cyberattack, and the effectiveness of response plans;
- processing, storage, use and disclosure of personal data, and prevention of data breach, and potential liabilities arising as a result of governmental and/or industry regulation;
- changes in search engine algorithms and search engine relationships;
- intense competition for advertising and metasearch revenue;
- innovation, product diversification, the ability to keep up with rapid technological and industry trends, and the success of execution of these changes;
- dependence on significant third party supplier relationships for content, commissions, incentive payments, advertising and metasearch revenue, systems, processing, and fees;
- competitive landscape of the travel industry, rapidly changing market, with many players;
- adverse tax events;
- human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees;
- evolving customer demand, self-sufficiency, fee sensitivity, and increased awareness due to the evolution of social media;
- reliance on the value and strength of our brands, and increased costs of maintaining and enhancing brand awareness;
- the ability to successfully grow the business via merger or acquisition, and the optimisation of cost and the efficiency of integration of new businesses;
- exposure to risks associated with booking and payment fraud;
- protection of its intellectual property and against infringement of third party intellectual property rights;
- international operations involving additional risks and exposure to these risks increasing as the Company further expands its international operations;
- significant leverage and financial products subject to restrictive debt covenants; and
- risks associated with currency fluctuations.

Competition

In its principal markets, the Company faces competition from many sources including, but not limited to, other online travel agents, traditional offline travel agents, tour operators, meta search companies, online portals, search engines and travel suppliers, such as airlines, hotel companies and rental car companies, many of which have their own branded websites, in addition to their physical retail presence. Competitive pressures could affect the ability of the Company to achieve bookings at satisfactory margins.

Regulatory risks

Throughout its operations, the Company requires regulatory licences and approvals. These regulatory requirements vary depending on the area of operation and the specific activity. Failure to continue to satisfy the necessary regulatory criteria (whether financial or operational) could result in the suspension, revocation or non-renewal of one or more necessary licences which, in certain cases, depending on the particular licence or approval concerned, could result in the cessation of that operation.

Opodo Limited

Report and financial statements 2020

Strategic report (continued)

Principal risks and uncertainties (continued)

Operational risks

Operational risks, which are inherent in all business activities, include those which mainly result from a potential breakdown in individual business units of the Company's control of its human, physical and operating resources. The potential financial or reputational loss arising from failures in internal controls, flaws or malfunctions in computer systems and poor product design or delivery all fall within this category. In particular, the Company's ability to generate revenue is dependent upon the continued availability of its websites to customers and any interruption to service may lead to lost revenues.

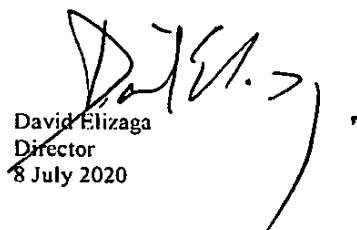
Working capital management

The Company's working capital requires careful management. This involves the management of the timing and amount of significant payments and receipts. The Company has limited ability to influence the timing of these cash flows. Payments generally arise from commitments which are contracted in advance or which are necessary to enable the business to continue operating. Receipts are dependent on the quantum and timing of sales to customers. The Company manages this risk by managing existing cash resources.

Future developments

Due to the strength of the Company's finances and the mitigating actions taken during the COVID-19 pandemic, the business is well positioned to emerge strongly from the crisis. However, due to the uncertainty of the situation the Company is unable to estimate precisely the impact that the COVID-19 pandemic will have on its business going forward.

Approved by the board of directors and signed on behalf of the board.



David Elizaga
Director
8 July 2020

Opodo Limited

Report and financial statements 2020

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2020, along with comparative information for the year ended 31 March 2019.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report. These matters relate to principal activity, business review, key performance indicators, principal risks and uncertainties and future developments.

Results and dividends

The Company's revenue was €212,313 thousand (2019: €197,140 thousand) and the Company generated a profit before taxation of €13,772 thousand (2019: €25,945 thousand).

The directors did not approve any dividends in the year (2019: Enil).

Financial position

The balance sheet, on page 16 of the financial statements, shows the Company's financial position at the end of the period. The net asset position of the Company has improved from €343,079 thousand at 31 March 2019 to €356,926 thousand at 31 March 2020 due to positive trading results throughout the year before being impacted by the COVID-19 outbreak in March 2020.

Current assets have decreased from €565,668 thousand at 31 March 2019 to €544,497 thousand at 31 March 2020 primarily due to the decrease in amounts due from other Group companies.

Current liabilities have decreased from €496,690 thousand at 31 March 2019 to €307,001 thousand at 31 March 2020 primarily due to the decrease in amounts owed to our trading suppliers. This was a direct result of the significant decline in trading activity from March 2020 caused by the COVID-19 outbreak.

The Company had net unrestricted cash of €34,014 thousand at 31 March 2020 (2019: €33,640 thousand). The Company continues to manage its working capital by way of its existing cash resources.

Based on the information set out above the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Please refer to note 1 for further details.

Subsequent events

The Company has made the decision to exercise urgent extraordinary measures to deal with the economic and social impact of COVID-19 by carrying out a temporary 20% reduction of its employees' working hours and consequently a 20% reduction in the employees' gross remuneration with effect from 15 April 2020 until further notice.

On 21 April 2020, the Company announced that successful discussions with its lenders have resulted in the SSRCF's only covenant of Gross Leverage Ratio being waived for Fiscal Year 2021, achieving further financial flexibility for the Company. Interest on the SSRCF and the 2023 Senior Notes will continue to be paid as usual.

On 2 June 2020, the Company ceased the provision of travel intermediation services. From this date on, Opodo Limited licenses its Opodo trade name, Opodo trademark and internet domain names containing the word Opodo to its Spanish Group affiliate company Vacaciones eDreams, S.L.U at an arm's length licence fee. The company continues to hold investments in subsidiary companies and remains accredited by the International Air Transport Association in various countries.

Capital structure

Details of the authorised and issued share capital are shown in note 17. The Company has one class of issued ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The Company is also authorised to issue redeemable convertible shares, which once issued, will carry different rights to dividend income and voting rights.

Opodo Limited

Report and financial statements 2020

Statement of directors' responsibilities

Capital structure (continued)

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislations. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

The Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

Financial risk management policies and objectives

Use of financial instruments

The Company's policy is to have no speculative trading in financial instruments. During the year, the Company has not entered into any derivative financial instruments for hedging purposes.

The other main risks faced by the Company are interest rate risk, liquidity risk and foreign exchange risk.

(a) Interest rate risk

The Company's deposits attract interest at floating rates. The Company does not hedge against the risk of movements in interest rates.

(b) Liquidity risk

The Company's policy is to maintain flexibility with respect to its liquidity position through the use of short-term or overnight deposits of its surplus cash balance. The directors' assessment of going concern, which has been applied in the preparation of the accompanying financial statements, is provided in note 1 to the financial statements.

(c) Foreign exchange risk

The Company's UK operations receive income and pay certain expenses in sterling and United States dollars. As a result, the Company is subject to translation risk on these transactions and translation of resulting monetary assets and liabilities.

The Company's principal reporting currency is the Euro. The continued uncertainty in the Eurozone brought about by ongoing Brexit negotiations does present additional risks to the Company, both operational and financial. In the event of a major devaluation of the pound against other currencies, the Company may suffer translation losses for revenues and receivables denominated in pounds.

The Company does not enter into any hedging transactions in respect of such foreign exchange risks.

Research and development activities

The Company's research and development activities principally relate to the development of its website operating platform and related back office systems.

At 31 March 2020, the Company had €944 thousand of capitalised software development costs (31 March 2019: €1,729 thousand), associated with a number of initiatives to both enhance and add to the Company's existing product offering.

Donations

The Company made no political or charitable donations during the year ended 31 March 2020 (31 March 2019: €nil).

Opodo Limited

Report and financial statements 2020

Statement of directors' responsibilities

Directors and their interests

The directors during the year were as follows:

D Dunne
D Elizaga

None of the directors have any direct interest in the shares of the Company that are required to be disclosed in accordance with the Companies Act 2006.

Directors' indemnities

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

Employees

The Company values highly the contribution made to its business by its employees across all areas of its operations.

The average number of persons employed by the Company during the year was 73 (2019: 136).

In considering applications for employment from disabled people, the Company seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the job for which he or she has applied. Employees who become temporarily or permanently disabled are given individual consideration and where possible, equal opportunities for training, career development and promotions are given to disabled persons.

Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees. The Company also encourages employees, where relevant, to meet on a regular basis to discuss matters affecting them.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

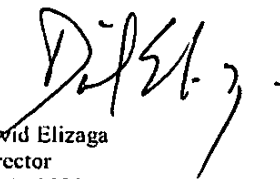
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditor

The Company's auditor, Ernst & Young LLP, have indicated their willingness to continue in office. In accordance with section 485 of the Companies Act 2006, the directors will consider the re-appointment of the auditor at the forthcoming Annual General Meeting.

Approved by the board of directors and signed on behalf of the board.


David Elizaga
Director
8 July 2020

Opodo Limited

Report and financial statements 2020

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Opodo Limited

Report and financial statements 2020

Independent auditor's report to the members of Opodo Limited (continued)

Opinion

We have audited the financial statements of Opodo Limited for the year ended 31 March 2020 which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes 1 to 22, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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.

Emphasis of matter - Impact of Covid -19

We draw attention to notes 1 and 22 of the financial statements, which describe the economic and social consequences the Company is facing as a result of COVID-19, which is impacting customer demand and the wider travel sector. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opodo Limited Report and financial statements 2020

Independent auditor's report to the members of Opodo Limited (continued)

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 the 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 or 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 statement of directors' responsibilities set out on page 11, 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.

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.

Opodo Limited
Report and financial statements 2020

Independent auditor's report to the members of Opodo Limited (continued)

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.

Ernst & Young LLP

Lindsay Russell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

10 July 2020

Opodo Limited
Report and financial statements 2020

Income statement
Year ended 31 March 2020

	Notes	31 Mar 2020 €'000	31 Mar 2019 €'000
Revenue	3	212,313	197,140
Selling, general and administrative expenses			
Before exceptional items	4	(185,408)	(153,940)
Exceptional items	4	<u>(4,577)</u>	<u>-</u>
Operating profit	4	22,328	43,200
Finance income	5	10,548	10,029
Finance costs	5	<u>(14,157)</u>	<u>(21,834)</u>
Profit before taxation		18,719	31,395
Taxation	6	<u>(4,947)</u>	<u>(5,450)</u>
Profit attributable to equity holders of the parent		<u>13,772</u>	<u>25,945</u>

All profits arise from continuing operations of the Company.

There are no items of other comprehensive income and therefore no separate statement of comprehensive income has been prepared.

Opodo Limited
Report and financial statements 2020

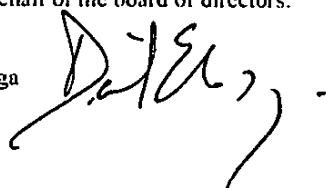
Balance sheet
As at 31 March 2020

		31 Mar 2020	31 Mar 2019
	Notes	€'000	Restated €'000
Non-current assets			
Property, plant and equipment	8	40	276
Intangible assets	7	1,255	2,286
Investments	9	432,000	432,000
Financial assets	10	20,617	25,576
Other receivables	10	631	634
Deferred tax asset	6	8,318	11,528
		<u>462,861</u>	<u>472,300</u>
Current assets			
Trade and other receivables	10	510,483	532,028
Cash and cash equivalents		<u>34,014</u>	<u>33,640</u>
		<u>544,497</u>	<u>565,668</u>
Total assets		<u>1,007,358</u>	<u>1,037,968</u>
Current liabilities			
Trade and other payables	11	(266,479)	(494,612)
Provisions	13	(587)	(463)
Income tax payable		(435)	(1,524)
Lease liabilities	15	-	(91)
Financial loans	12	<u>(39,500)</u>	<u>-</u>
		<u>(307,001)</u>	<u>(496,690)</u>
Net current assets		<u>237,496</u>	<u>68,978</u>
Non-current liabilities			
Financial loans	12	(343,431)	(197,980)
Lease liabilities	15	-	(120)
Deferred income		<u>-</u>	<u>(99)</u>
		<u>(343,431)</u>	<u>(198,199)</u>
Total liabilities		<u>(650,432)</u>	<u>(694,889)</u>
Net assets		<u>356,926</u>	<u>343,079</u>
Equity			
Share capital	17	216,018	216,018
Share-based payment reserve	18	931	856
Retained profits		<u>139,977</u>	<u>126,205</u>
Total equity		<u>356,926</u>	<u>343,079</u>

The financial statements of Opodo Limited, registered number 04051797, were approved by the board of directors and authorised for issue on 8 July 2020.

Signed on behalf of the board of directors:

David Elizaga
 Director



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Statement of changes in equity
Year ended 31 March 2020

	Notes	Share capital €'000	Retained profits €'000	Share-based payment reserve €'000	Total €'000
Balance as at 31 March 2018		216,018	100,327	705	317,050
Credit to equity for equity-settled share-based payments	18	-	-	151	151
Changes in accounting policies	2	-	(67)	-	(67)
Profit for the year		-	25,945	-	25,945
Balance as at 31 March 2019		216,018	126,205	856	343,079
Credit to equity for equity-settled share-based payments	18	-	-	75	75
Profit for the year		-	13,772	-	13,772
Balance as at 31 March 2020		216,018	139,977	931	356,926

Share capital represents the nominal value of shares that have been issued and fully paid (refer to note 17).

Retained profits includes all current and previous periods' accumulated profits and losses net of dividends paid.

Share-based payment reserve represents equity-settled share-based compensation in the form of vested share options under the Company's Long-Term Incentive plans as detailed in note 18.

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Notes to the financial statements

Year ended 31 March 2020

1. Statement of compliance and going concern

Opodo Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is given on page 2, and its principal activities are listed within the strategic report.

The Company's functional and presentation currency is the Euro. The figures are expressed in thousands.

Statement of compliance

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

Going concern

The financial statements have been prepared using the going concern basis of accounting.

The financial statements at 31 March 2020 show that the Company generated a profit of €13,772 thousand for the year ended 31 March 2020 (31 March 2019: €25,945 thousand). At 31 March 2020, the Company was in a net asset position of €356,926 thousand (31 March 2019: €343,079 thousand) with net current assets of €237,496 thousand (31 March 2019: €68,978 thousand).

Based on the information set out above and the change in operations mentioned in note 22, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future including a period of at least 12 months following the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Significant accounting policies

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2020.

a) Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements have therefore been prepared in accordance with FRS 101.

The Company has taken advantage of the following disclosure exemptions available under FRS 101:

- i) the requirements of paragraphs 10(d), 10(f), 16, 38A-38D, 40A-40D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements";
- ii) the requirements of IAS 7 "Statement of Cash Flows";
- iii) the requirements in IAS 24 "Related Party Disclosures";
- iv) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 "Impairment of Assets";
- v) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 "Share based Payment";
- vi) the requirements of IFRS 7 "Financial Instruments: Disclosures"; and
- vii) the requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement".

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities which are measured at fair value in accordance with applicable IFRS. The principal accounting policies adopted are set out below.

Opodo Limited

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Notes to the financial statements (continued)

Year ended 31 March 2020

2. Significant accounting policies (continued)

(a) Basis of preparation (continued)

These financial statements present information solely on the Company and not its group. The Company has taken the exemption from preparing consolidated financial statements afforded by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of eDreams ODIGEO, S.A. which publishes audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union, which are up to the same date.

The parent company eDreams ODIGEO, S.A. is a limited liability company, publicly traded on the Madrid stock exchange. The registered office of eDreams ODIGEO, S.A. is 4, rue du Fort Wallis, L-2714 Luxembourg.

Certain reclassifications have been made to the prior year's balance sheet to enhance comparability with the current year's financial statements and in order to be consistent with Group disclosure policies and presentation. This includes the reclassification of capitalised finance costs from non-current Financial Assets to non-current Financial Loans and the reclassification of provisions for cancellation from Trade and Other Payables to Trade and Other Receivables.

(b) Changes in accounting policy

The Company applied IFRIC 23 Uncertainty over Income Tax Treatments for the first time in the year ended 31 March 2020. The Interpretation did not have an impact on the financial statements of the Company.

The Company opted for the voluntary earlier application of IFRS 16 Leases as of 1 April 2018.

The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

(c) Critical accounting judgements and key sources of estimation and uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimates (which are dealt with separately below) that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Company recognises revenue when (i) there is evidence of a contractual relationship in respect of services provided, (ii) the separate performance obligations in the contract are identified, (iii) the transaction price is determinable and collectability is reasonably assured, (iv) the transaction price is allocated to the separate performance obligation, and (v) the services are provided to the customer (performance obligation satisfied). The Company has evidence of a contractual relationship when the customer has acknowledged and accepted the Company's terms and conditions that describe the service rendered as well as the related payment terms. The Company considers revenue to be determinable when the product or service has been delivered or rendered in accordance with the said agreement.

Opodo Limited

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Notes to the financial statements (continued)

Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(c) Critical accounting judgements and key sources of estimation and uncertainty (continued)

Revenue recognition (continued)

Recognising revenue on a gross versus net basis depends on whether the Company is considered to act as a principal or as an agent. The Company has to assess whether it controls the services before being supplied to the customer. In performing this assessment, the Company considers the contractual relationships between the parties to the transactions as well as other relevant facts and circumstances such as, whether the Company is primarily responsible for fulfilling the promise to provide a service, whether the Company has inventory risk or has discretion in establishing the price, or has discretion in supplier selection. The directors conclude that the Company had acted as a disclosed agent in respect of all travel agency services during the year.

Estimation of useful economic lives of fixed assets

The economic life used for amortisation of intangible fixed assets and depreciation of property, plant and equipment relates to the future performance of the assets in question and management's judgement of the period over which the economic benefit will be derived from the asset.

As at 31 March 2020, the amount of property, plant and equipment included in the Company balance sheet was €40 thousand (2019: €276 thousand). These assets are depreciated over periods ranging between four and five years.

As at 31 March 2020, the amount of intangible assets included in the Company balance sheet was €1,255 thousand (2019: €2,286 thousand). These assets are amortised over periods ranging between three and four years.

Key sources of estimation and uncertainty

The key assumptions concerning the future and other key sources of estimation and uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Recoverability of investments in subsidiaries

Determining the recoverability of investments in subsidiaries requires estimation as to whether the investment could be realised for consideration at or in excess of the carrying value. In making such estimations, management has regard to the value in use calculations of those investments. As at 31 March 2020, the investments in the Company balance sheet totalled €432,000 thousand (2019: €432,000 thousand).

Deferred tax

The recognition of deferred tax assets requires judgement as to the probability of taxable profits being available in the future and the quantum and location of taxable profits that are forecast to arise. This requires the directors to exercise judgement in forecasting future results, including assumptions and estimates of growth in revenue and changes in operating margins. Changing the assumptions selected by the directors could significantly affect the Company's forecast results and the amount of deferred taxation included in the Company's results.

(d) Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT, cancellations and other associated taxes.

The Company generates its revenue from the mediation services regarding the supply of (i) flight services including air passenger transport by regular and low cost airlines as well as travel insurance for flight services and (ii) non-flight services including non-air passenger transport, hotel accommodation, dynamic packages (including revenue from the flight component thereof) and travel insurance for non-flight services. Revenue is earned through service fees, commissions, incentive payments received from suppliers and in specific cases, margins.

Opodo Limited

Report and financial statements 2020

Notes to the financial statements (continued)

Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(d) Revenue recognition (continued)

The Company also receives incentives from its Global Distribution System (GDS) service providers based on the volume of supplies mediated by the Company through the GDS systems. In addition, the Company also generates revenue from non-travel related services, such as revenue for the supply of advertising services on its websites, commissions received from credit card companies and fees charged on toll calls.

Fee revenue

As a disclosed agent (i.e., the Company bears no inventory risk and is not the primary obligor in the arrangement), revenue is recognised on a net basis, with revenue representing the agency fees and commissions. Such revenue comprises the supply of travel agency services in respect of scheduled air passengers, hotels, car rentals and travel packages.

In the case of agency services regarding flights, net revenue is recognised upon the completion of the booking, as the Company does not assume any further performance obligation to its customers after the flight tickets has been issued by the airline.

In the case of agency services regarding hotel accommodation, travel packages and car rental, net revenue is recognised at the date of booking. In the event of a cancellation of the booking, commissions earned are reversed. A provision is recognised to cover the risk of cancellation of the bookings made with departures after the reporting date. This provision has been calculated in accordance with the historical average cancellation rate by markets.

In the case of Prime revenue, where customers have access to discounted airfares, revenue is recognised based on use during the life period of the product. During the year, the Company has changed the basis of estimation, going from a straight-line linearisation to an estimation based on usage.

In the case of optional services allowing customers to cancel or modify flights at no additional charge, the revenue is recognised based on the period during which the customer has the option to cancel or modify the booking.

Incentive revenue

Additional income (travel supplier over-commissions) may accrue based on the achievement of certain sales targets during a specific agreed period. The Company accrues for such income where it is considered probable that the sales target will be met and the amount to be received is quantifiable. Where it is probable that the sales target will be met, revenue is recognised based on the percentage of the total agreed over-commissions achieved at the reporting date.

Under GDS service agreements, the Company earns revenue in the form of an incentive payment for each segment that is processed through a GDS service provider. This revenue is recognised at the time the booking is processed.

Other revenue

Other revenue comprises mainly of income from advertising and is recognised at the time of display or over the advertising delivery period, depending on the terms of the advertising contract.

Finance income

Finance income is recognised by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Opodo Limited

Report and financial statements 2020

Notes to the financial statements (continued)

Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(e) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease, based on the following characteristics:

- The contract involves the use of an identified asset that is physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset, that is, the Company has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site at which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimate useful lives of right-of-use assets are determined on the same basis as those of tangible assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, for its office leases, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in "Property, plant and equipment" and lease liabilities in "Lease liabilities" in the balance sheet.

(f) Foreign currencies

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the financial statements, the results and financial position of the Company are expressed in Euros, which is the functional currency of the Company, and the presentation currency for these financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency of the Euro are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are converted at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are converted at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

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Report and financial statements 2020

Notes to the financial statements (continued)

Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(g) Retirement benefit costs

Contributions are recognised as employee benefit costs when they accrue.

(h) Taxation

The tax expense represents the sum of the current tax payable and deferred tax.

The current tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset the amounts recognised and the Company intends to settle the net figure, or realise the asset and settle the liability simultaneously.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets using the straight-line method. The estimated useful lives 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.

Computer equipment	3 – 5 years
Fixtures and fittings	5 years
Buildings - lease	over the period of the lease

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, plant and equipment are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Opodo Limited

Report and financial statements 2020

Notes to the financial statements (continued)

Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(j) Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Company's development of its website operating platform and related back office systems is recognised if, and only if, all of the following have been demonstrated:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

The revenue associated with the capitalisation of internally-generated intangible assets is classified in the income statement according to the nature of the development cost of the asset.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(k) Other 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 on a straight-line basis over their estimated useful lives as follows:

Software development	4 years
Purchased software & licences	2 – 4 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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(l) Impairment of long-lived assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount.

Recoverable amount is the higher of fair value less costs to sell 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Opodo Limited

Report and financial statements 2020

Notes to the financial statements (continued)

Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(l) Impairment of long-lived assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

All of the Company's financial assets are classified as 'loans and receivables', reflecting the nature and purpose of the financial assets, determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are considered to be impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. Impairment loss on trade receivables is calculated based on lifetime expected credit losses.

Derecognition of financial assets

The Company derecognises a financial asset only where the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Opodo Limited
Report and financial statements 2020

Notes to the financial statements (continued)
Year ended ended 31 March 2020

2. Significant accounting policies (continued)

(m) Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits and other short-term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities are initially recognised at fair value of the consideration received. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

(o) Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

(p) Investments

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

Opodo Limited
Report and financial statements 2020

Notes to the financial statements (continued)
Year ended ended 31 March 2020

3. Revenue

Detail of the Company's revenue is as follows:

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Fee revenue	170,706	158,126
Incentive revenue	37,347	34,338
Other revenue	4,260	4,676
Revenue from contracts with customers	<u>212,313</u>	<u>197,140</u>

All revenue is earned from services provided to customers.

All sales are within Europe and the directors do not consider the markets in Europe in which the Company operates to be significantly different. Consequently, no geographical segmentation has been provided.

Opodo Limited
Report and financial statements 2020

Notes to the financial statements (continued)
Year ended ended 31 March 2020

4. Operating profit

Selling, general and administrative expenses comprise infrastructure costs, marketing and business development and general and administrative costs. Infrastructure costs include IT expenses incurred by the Company to manage and operate the online travel websites. Costs incurred in developing the websites and internal use software, which meet the criteria for recognition under IFRS are capitalised as intangible assets as detailed in note 7. Costs incurred that do not meet the recognition criteria are expensed as incurred.

Marketing and promotional costs include all brand, sales and site activity and are expensed at the time the cost is incurred.

Profit is stated after crediting/(charging):

	Year ended 31 Mar 2020 €'000	Year ended 31 Mar 2019 €'000
Net foreign exchange losses	(481)	(2,829)
Depreciation (Note 8)	(119)	(154)
Impairment reversal/(loss) on trade and other receivables	(1,670)	1,100
Amortisation of intangible assets (Note 7):		
Internally generated assets	(866)	(933)
Purchased software & licences	(371)	(325)
Impairment loss on investments	-	(150)
Staff costs	(2,255)	(5,020)
Operating lease rentals - land and buildings	(384)	(389)
IT expenses	(441)	(2,266)
Professional fees	(1,136)	(1,524)
Exceptional costs	(4,577)	-
Marketing and other operating expenses	(177,685)	(141,450)
	<u>(189,985)</u>	<u>(153,940)</u>
Staff costs		
Wages and salaries	(1,757)	(4,260)
Social security costs	(458)	(706)
Pension costs	(40)	(54)
	<u>(2,255)</u>	<u>(5,020)</u>

Exceptional costs correspond to the restructuring costs incurred as part of the operational optimisation plan mentioned in the Strategic Report. The amount includes €1,146 thousand in personnel expenses and €3,431 thousand in other operating expenses).

Share based payment charges are included in wages and salaries (see note 18).

Opodo Limited
Report and financial statements 2020

Notes to the financial statements (continued)
Year ended ended 31 March 2020

4. Operating profit (continued)

Employees

The average monthly number of employees (including executive directors) of the continuing operations of the Company during the year was as follows:

	Year ended 31 Mar 2020 No.	Year ended 31 Mar 2019 No.
Operational staff	49	95
Administrative staff	<u>24</u>	<u>41</u>
Total	<u>73</u>	<u>136</u>

Auditor's remuneration

Detail of auditor's remuneration is as follows:

	Year ended 31 Mar 2020 €'000	Year ended 31 Mar 2019 €'000
Fees payable to the company's auditor:		
Audit of the Company's financial statements	69	81
Other audit-related services including half year review	<u>-</u>	<u>21</u>
	<u>69</u>	<u>102</u>

Certain agreed-upon audit procedures required last year were not required this year due to a change in circumstances related to requirements by third party insurers covering dynamic packages sold by the Company.

Directors' remuneration

The directors receive remuneration for their executive duties from the parent entity eDreams ODIGEO, S.A. and the subsidiary eDreams International Networks, S.L.U. The directors of the Company did not receive any form of remuneration from Opodo Limited for their services to the Company for the year ended 31 March 2020 (2019: €nil).

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

5. Finance income and finance costs

	Year ended 31 Mar 2020 €'000	Year ended 31 Mar 2019 €'000
Bank interest and similar income	20	9
Interest receivable from group companies	10,528	10,020
Total finance income: loans and receivables at amortised cost	10,548	10,029
Bonding and guarantee costs	(562)	(664)
Interest on loans from other group companies	(12,954)	(13,053)
Amortisation on financing fees capitalised on long term borrowings	(166)	(4,137)
Amortisation on financing fees capitalised on revolving credit facility	(284)	(1,404)
Other financial expenses	(191)	(2,576)
Total finance costs: financial liabilities at amortised cost	(14,157)	(21,834)

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

6. Tax

Tax on profit

Tax charged in the income statement:

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Current tax:		
Corporation tax	(1,641)	(2,127)
Foreign tax	(50)	(46)
Adjustments in respect of prior periods	(46)	173
	<u>(1,737)</u>	<u>(2,000)</u>
Deferred tax:		
Originating and reversal of temporary differences	(3,280)	(3,650)
Adjustments in respect of prior periods	70	200
	<u>(4,947)</u>	<u>(5,450)</u>

Reconciliation of the total tax charge

The standard tax rate applied for the year was 19% (2019: 19%). The factors affecting the tax charge for the year are as follows:

	Year ended	Year ended
	31 Mar 2020	31 Mar 2019
	€'000	€'000
Profit before tax	<u>18,719</u>	<u>31,395</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19%	(3,557)	(5,965)
Foreign taxes paid	(50)	(46)
Permanent differences	-	86
Effect of change in tax rate on deferred tax asset	(1,364)	102
Adjustments in respect of prior periods	24	373
Tax charge	<u>(4,947)</u>	<u>(5,450)</u>

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

6. Tax (continued)

Deferred tax

The following are the major deferred tax assets recognised by the Company and the movements during the current period and prior year:

	Tax losses	Capital allowances	Other	Total
	€'000	€'000	€'000	€'000
At 1 April 2019	8,149	2,183	1,196	11,528
Charge to income	(2,741)	(674)	1,569	(1,846)
Effect of change in tax rate in income statement	(1,789)	425	-	(1,364)
At 31 March 2020	<u>3,619</u>	<u>1,934</u>	<u>2,765</u>	<u>8,318</u>

The directors have assessed that it is probable that future taxable profits will arise in order to give recognition to a deferred tax asset of €8,318 thousand at 31 March 2020 (2019: €11,528 thousand).

The deferred tax is recognised based on the 19% corporation tax rate following the announcement in the recent UK Budget that the 19% rate shall be retained for financial years starting 1 April 2020 and 1 April 2021. The change of the earlier enacted 17% corporation tax rate on the deferred tax asset has a positive impact of €229 thousand in the income statement for the period ended 31 March 2020.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

7. Intangible assets

	Finite life intangible assets		
	Software development	Purchased software & licences	Total
	€'000	€'000	€'000
Cost			
At 31 March 2019	5,071	3,542	8,613
Additions: purchased separately	-	126	126
Additions: internal development	80	-	80
Disposals	(35)	(1,581)	(1,616)
At 31 March 2020	<u>5,116</u>	<u>2,087</u>	<u>7,203</u>
Accumulated amortisation and impairment			
At 31 March 2019	(3,342)	(2,985)	(6,327)
Charge for the year	(865)	(372)	(1,237)
Disposals	35	1,581	1,616
At 31 March 2020	<u>(4,172)</u>	<u>(1,776)</u>	<u>(5,948)</u>
Net Book Value			
At 31 March 2019	<u>1,729</u>	<u>557</u>	<u>2,286</u>
At 31 March 2020	<u>944</u>	<u>311</u>	<u>1,255</u>

The remaining useful life of intangible assets is detailed below:

	Remaining useful life (years)	
	31 Mar 2020	31 Mar 2019
Software development (internally developed)	4	4
Purchased software & licences	2	3

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

8. Property, plant and equipment

	Computer Equipment €'000	Fixtures and Fittings €'000	Buildings - lease €'000	Total €'000
Cost				
At 31 March 2019	774	146	298	1,218
Additions	-	-	-	-
Impairment write-off	-	-	(117)	(117)
Disposals	(229)	-	-	(229)
At 31 March 2020	<u>545</u>	<u>146</u>	<u>181</u>	<u>872</u>
Accumulated depreciation				
At 31 March 2019	(702)	(146)	(94)	(942)
Charge for the year	(32)	-	(87)	(119)
Disposals	229	-	-	229
At 31 March 2020	<u>(505)</u>	<u>(146)</u>	<u>(181)</u>	<u>(832)</u>
Net Book Value				
At 31 March 2019	<u>72</u>	<u>-</u>	<u>204</u>	<u>276</u>
At 31 March 2020	<u>40</u>	<u>-</u>	<u>-</u>	<u>40</u>

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Notes to the financial statements (continued)

Year ended ended 31 March 2020

9. Investments

Details of the Company's subsidiaries (direct and indirect shareholdings) at 31 March 2020 are as follows:

Subsidiary	Percentage holding of share capital	Registered Address	Principal activity	Share Class	Country of incorporation
Direct shareholdings					
Opodo GmbH	100%	Büschstraße 12 20354 (Hamburg)	Marketing services	Ordinary	Germany
GEO Travel Pacific Pty Ltd	100%	Level 2, 117 Clarence Street (Sydney)	Travel services	Ordinary	Australia
Go Voyages SAS	100%	11, Avenue Delcassé, 75008 (Paris)	Travel services	Ordinary	France
Tierrabella Invest. S.L.	100%	Calle López de Hoyos 35, 2. 28002 (Madrid)	Holding company	Ordinary	Spain
Travelising. S.A.	100%	Calle López de Hoyos 35, 2. 28002 (Madrid)	Optimizing online advertising campaigns	Ordinary	Spain
eDreams Business Travel SL	100%	Carrer Baixà, 67-69. 08009 (Barcelona)	Corporate travel	Ordinary	Spain
eDreams LLC	100%	2035 Sunset Lake Road Suite B-2, 19702 (City of Newark) Delaware	Travel services	Ordinary	USA
Indirect shareholdings					
Opodo SL	100%	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006 (Madrid)	On-line Travel agency	Ordinary	Spain
Travellink AB	100%	113 79 Rehnsgatan 11 (Stockholm)	Travel services	Ordinary	Sweden
eDreams Inc.	100%	1209 Orange Street, city of Wilmington, County of New Castle, 19801 (State of Delaware)	Holding Company	Ordinary	USA
Vacaciones eDreams, S.L.U	100%	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006 (Madrid)	Travel services	Ordinary	Spain
eDreams International Network, S.L.U	100%	Calle López de Hoyos 35, 2. 28002 (Madrid)	Admin & IT Services	Ordinary	Spain
eDreams, S.r.L	100%	Via San Gregorio, 34, 20124 Milan	Travel services	Ordinary	Italy
Viagens eDreams Portugal LDA	100%	Largo Rafael Bordalo Pinheiro, 16 (Lisbon)	Travel services	Ordinary	Portugal
Go Voyages Trade	100%	11, Avenue Delcassé, 75008 (Paris)	Travel services	Ordinary	France
Liligo Metasearch Technologies	100%	11, Avenue Delcassé, 75008 (Paris)	Metasearch	Ordinary	France
ODIGEO Hungary Kft	100%	Nagymező utca 44, 1065 (Budapest)	Admin & IT Services	Ordinary	Hungary
Engrande S.L.U.	100%	Calle Conde de Peñalver 5, 1 Ext. Izq. 28006 (Madrid)	Travel services	Ordinary	Spain

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

9. Investments (continued)

	Shares in subsidiary undertakings €'000	Other Investments €'000	Total Investments €'000
Cost			
At 31 March 2019	434,333	-	434,333
Additions	-	-	-
At 31 March 2020	434,333	-	434,333
Provision for impairment			
At 31 March 2019	(2,333)	-	(2,333)
Additions	-	-	-
At 31 March 2020	(2,333)	-	(2,333)
Net Book Value			
At 31 March 2020	432,000	-	432,000
At 31 March 2019	432,000	-	432,000

On 9 July 2019, eDreams, S.r.L merged as absorbing entity with Opodo Italia SRL. On 15 November 2019, Findworks Technologies Bt was dissolved. These transactions do not effect the direct shareholdings of the Company.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

10. Trade and other receivables

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Amount falling due within one year		
Trade receivables	4,911	4,093
Allowance for doubtful debts	<u>(3,378)</u>	<u>(1,708)</u>
	1,533	2,385
Amounts due from other eDreams ODIGEO Group companies	489,859	510,747
Accrued income	14,495	13,301
VAT and other tax receivable	1,054	1,044
Prepayments and deferred expenses	2,336	2,659
Advances given to suppliers	638	1,809
Other receivables	<u>568</u>	<u>83</u>
	<u>510,483</u>	<u>532,028</u>
Amount falling due after more than one year		
Financial loans to other eDreams ODIGEO Group companies	20,617	25,576
Other receivables	<u>631</u>	<u>634</u>
	<u>21,248</u>	<u>26,210</u>
	31 Mar 2020	31 Mar 2019
	€'000	€'000
Movement in the allowance for doubtful debts		
Balance at beginning of year	1,708	2,808
Increase/(decrease) in provision	2,024	(1,100)
Amounts recovered during the year	<u>(354)</u>	<u>-</u>
Balance at the end of the year	<u>3,378</u>	<u>1,708</u>

An impairment analysis of trade receivables and accrued income, net of provision for booking cancellations, has been performed to measure expected credit losses, using a provision matrix adjusted for forward-looking factors.

Forward-looking information for the calculation of the allowance for doubtful debts includes consideration of the impact of COVID-19 on the financial situation of the Company's customers. A deep analysis, especially for airlines, has been carried out to estimate potential significant financial difficulties.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

10. Trade and other receivables (continued)

The provision matrix used to assess the Company's credit risk exposure under IFRS 9 is set out below:

	Trade receivables	Allowance for doubtful debts
	€'000	€'000
Accrued trade receivables	14,244	328
Invoices not overdue	1,873	43
Invoices due less than 60 days	1,377	59
Invoices due between 60 and 120 days	129	7
Invoices due between 120 and 240 days	110	9
Invoices due between 240 and 365 days	21	3
Invoices due more than 365 days	961	333
Bankruptcy	1,233	1,233
Additional risk high	-	644
Additional risk medium	-	490
Additional risk low	-	229
Total	19,948	3,378

To reflect the additional expected credit losses linked to COVID-19, an additional impairment of €1,363 thousand has been recognised. This is shown in the table above as Additional risk low, Additional risk medium and Additional risk high.

Detail of the financial loans to other eDreams ODIGEO Group companies is set below:

Entity	Date of Repayment	Currency	31 Mar 2020 €'000	31 Mar 2019 €'000
Go Voyages SAS	31-Mar-22	Euro	10,371	10,371
eDreams ODIGEO S.A.	01-Aug-21	Euro	7,119	7,119
Tierrabella Invest, S.L.	31-Mar-21	Euro	-	6,071
Engrande S.L.U.	31-Mar-23	Euro	3,127	2,015
			20,617	25,576

During the year, interest accrued on the Company's loan receivable from Engrande S.L.U. of €112 thousand was capitalised as part of the loan principal. On 31 March 2020, the loan increased by a further €1,000 thousand and the maturity date was extended by one additional year to 31 March 2023. All financial loans to other eDreams ODIGEO Group companies are bear interest at the rate of Euribor plus 4%.

Amounts due from other eDreams ODIGEO Group companies falling due within one year are unsecured and interest free.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

11. Trade and other payables

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Trade payables	(9,998)	(9,802)
Accruals	(72,191)	(215,666)
Employee related payables	(68)	(315)
Other taxes and social security costs payable	(309)	(378)
Amounts owed to eDreams ODIGEO Group companies	(178,213)	(262,379)
Deferred income	(790)	(952)
Other payables	(140)	(139)
	<u>(261,709)</u>	<u>(489,631)</u>
Financial liabilities due to eDreams ODIGEO Group companies	(3,113)	(2,418)
Other financial liabilities	<u>(1,657)</u>	<u>(2,563)</u>
	<u>(266,479)</u>	<u>(494,612)</u>

All amounts owed to eDreams ODIGEO Group companies are unsecured, interest free and repayable on demand.

12. Borrowings

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Unsecured borrowing at amortised cost		
Interest bearing loans with Group company	(275,189)	(200,188)
Capitalised finance costs	2,426	2,426
Amortisation on capitalised finance costs	(668)	(218)
Revolving credit facility loan	(109,500)	-
	<u>(382,931)</u>	<u>(197,980)</u>

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Total borrowings		
Amounts due for settlement within 12 months	(39,500)	-
Amounts due between one and two years	(113,420)	-
Amounts due between two and five years	(230,011)	(197,980)
	<u>(382,931)</u>	<u>(197,980)</u>

Non-current interest bearing loans with Group companies consists of €118,420 thousand borrowing from Opodo SL and €156,768 thousand borrowing from eDreams ODIGEO, S.A. The loan of €118,420 includes €43,420 thousand with a repayment date of 31 March 2022 and €75,000 thousand with a repayment date of 31 March 2023. Both bear interest at the rate of Euribor plus 4%. The loan of €156,768 thousand is part of the Group debt refinancing of its Senior Secured Notes, bearing interest at an effective rate of 5.5% per annum and is repayable in full on 1 September 2023. As at 31st March 2020, the Company had drawn €109,500 thousand under the SSRCF, bearing interest of 2.5% and with €39,500 thousand due within 12 months.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

13. Provisions

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Current provisions		
Provision for litigation risks	<u>(587)</u>	<u>(463)</u>
		€'000
Movement in provisions		
At 1 April 2019		(463)
Increase in provision		(460)
Release of provision		133
Amounts settled during the year		203
At 31 March 2020		<u>(587)</u>

Litigation risks

A provision is recognised for the cost of settling customer claims and ongoing claims by organisations including consumer bodies, airlines and industry authorities. It is expected that litigation cases will be settled within the next financial year.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

14. Lease commitments

The Company leases are mainly composed of buildings under non-cancellable lease contracts.

Following the adoption of IFRS 16 Leases on 1 April 2018 (see note 2), the discounted value of future payments corresponding to the applicable lease contracts have been treated as lease liabilities.

For commitments outside the scope of IFRS 16 the minimum total non-cancellable future payments is the following:

	Land and buildings	
	31 Mar 2020	31 Mar 2019
	€'000	€'000
Not later than one year	233	352
After one year but not more than five years	-	235
After five years	-	-
	233	587
	31 Mar 2020	31 Mar 2019
	€'000	€'000
Minimum lease payments charged to the income statement for the year	384	389

15. Lease liabilities

Lease liabilities includes the financial liabilities recognised on 1 April 2018 under IFRS 16 Leases (see note 2).

The maturity of contractual undiscounted cash flows for leasings is the following:

	31 Mar 2020	31 Mar 2019
	€'000	€'000
Less than one year	-	(91)
One to five years	-	(120)
More than 5 years	-	-
Total lease liabilities	-	(211)
Lease liability - current	-	(91)
Lease liability - non current	-	(120)

The lease agreement treated under IFRS 16, which related to the office in Berlin, terminated on 31 March 2020.

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Notes to the financial statements (continued)
Year ended ended 31 March 2020

16. Retirement benefit schemes

The Company participates in a defined contribution group scheme. The assets of the scheme are held separately from those of the Company in independently administered funds.

The total cost charged to income of €41 thousand (2019: €54 thousand) represents contributions payable to the scheme by the Company at rates specified in the rules of the plans. As at 31 March 2020, outstanding contributions amounting to €4 thousand (2019: €7 thousand) were due to the scheme as these contributions are settled monthly in arrears.

17. Share capital

	31 Mar 2020 €	31 Mar 2019 €
Authorised:		
3,030,000,000 ordinary shares of €0.1 each	303,000,000	303,000,000
30,000,000 redeemable convertible shares of €1 each	<u>30,000,000</u>	<u>30,000,000</u>
	<u>333,000,000</u>	<u>333,000,000</u>
		€
Issued and fully paid:		
At 31 March 2019: 2,160,184,753 ordinary shares of €0.1 each		216,018,475
Shares issued during the year		<u>-</u>
At 31 March 2020: 2,160,184,753 ordinary shares of €0.1 each		<u>216,018,475</u>

18. Share-based payment reserve

Other equity instruments

	31 Mar 2020 €'000	31 Mar 2019 €'000
Vested share options	<u>931</u>	<u>856</u>

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Notes to the financial statements (continued)

Year ended ended 31 March 2020

18. Share-based payment reserve (continued)

Share-based payments

On 12 September 2016, the Extraordinary Shareholders Meeting, upon proposal from the board of directors, approved amendments to the Articles of Incorporation of eDreams ODIGEO, S.A., necessary to execute a new Long Term Incentive Plan (2016 LTIP) for Managers, to ensure that it continues to attract and retain high quality management and better align the interest of management and shareholders.

The 2016 LTIP is equally split between performance shares and restricted stock units subject to continued service. Based on operational performance, the scheme is linked to stringent financial and strategic objectives.

The 2016 LTIP will last for four years and is designed to vest around financial results publications between August 2018 and February 2022.

As at 31 March 2019, 184,000 rights have been granted since the beginning of the plan under the 2016 LTIP, of which 13,589 shares (The First Tranche – First Delivery), 13,589 shares (The First Tranche – Second Delivery) and 13,589 shares (The First Tranche – Third Delivery) have been delivered as shares in August 2018, November 2018 and February 2019 respectively.

As at 31 March 2020, 136,000 rights have been granted since the beginning of the plan under the 2016 LTIP, of which 10,662 shares (The First Tranche – Second Sub Tranche - First Delivery), 10,662 shares (The First Tranche – Second Sub Tranche - Second Delivery) and 10,662 shares (The First Tranche – Second Sub Tranche - Third Delivery) have been delivered as shares in August 2019, November 2019 and February 2020 respectively.

The cost regarding the 2016 LTIP has been recorded in the income statement and against equity, amounting to €62 thousand and €151 thousand in the year ended 31 March 2020 and 31 March 2019 respectively.

On 19 June 2019, the Board of Directors of the Company approved a new Long Term Incentive Plan (2019 LTIP) to ensure that it continues to attract and retain high-quality management and better align the interests of management and shareholders.

The 2019 LTIP is split equally between performance shares and restricted stock units subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives, which will be assessed in cumulative periods.

The new 2019 LTIP will last for four years and is designed to vest around financial results publications between August 2022 and February 2026. The exercise price of the rights is €0.

As at 31 March 2020, 32,000 rights have been granted since the beginning of the plan under the 2019 LTIP.

The cost regarding the 2019 LTIP has been recorded in the income statement and against equity, amounting to €13 thousand and €0 thousand in the year ended 31 March 2020 and 31 March 2019 respectively.

19. Commitments and contingencies

(a) Commitments

As required by industry regulators including IATA, the Company has trade bonds in place. The level of bonding required is determined on an annual basis by the regulators with reference to historical and expected future trading.

As at 31 March 2020, the Company had bank guarantees in place to travel agency regulators in the total amount of €1,238 thousand (2019: €1,275 thousand).

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Notes to the financial statements (continued)

Year ended ended 31 March 2020

19. Commitments and contingencies (continued)

(b) Contingencies

Last year the Company reported a €0.4 million contingency relating to the assessment of VAT by the UK tax authorities. The Company successfully appealed against this VAT assessment. Therefore, this contingency no longer exists as at 31 March 2020.

20. Ultimate parent company and controlling entity

The Company's immediate parent company, ultimate parent undertaking and controlling entity is eDreams ODIGEO, S.A., a company incorporated in Luxembourg. eDreams ODIGEO, S.A. is the entity which is listed on the Spanish Stock Exchange and for which consolidated financial statements are prepared.

21. Related parties

The Company performs all its transactions with related parties on an arm's length basis. The transfer prices are adequately supported and the directors consider that there are no material risks that might give rise to significant liabilities in the future.

22. Subsequent events

The Company has made the decision to exercise urgent extraordinary measures to deal with the economic and social impact of COVID-19 by carrying out a temporary 20% reduction of its employees' working hours and 20% reduction in the employees' gross remuneration with effect from 15 April 2020 until further notice.

On 21 April 2020, the Company announced that successful discussions with its lenders have resulted in the SSRCF's only covenant of Gross Leverage Ratio being waived for Fiscal Year 2021, achieving further financial flexibility for the Company. Interest on the SSRCF and the 2023 Senior Notes will continue to be paid as usual.

On 2 June 2020, the Company ceased the provision of travel intermediation services. From this date on, Opodo Limited licenses its Opodo trade name, Opodo trademark and internet domain names containing the word Opodo to its Spanish Group affiliate company Vacaciones eDreams, S.L.U at an arm's length licence fee. The company continues to hold investments in subsidiary companies and remains accredited by the International Air Transport Association in various countries.