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Company Registration No. 05160716 (England and Wales)

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 JUNE 2019

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CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED

COMPANY INFORMATION

Directors	D Carling J Pherous S Fleming (resigned 27 March 2020) M Young (appointed 27 March 2020)
Secretary	J Hunt
Company number	05160716
Registered office	One Carter Lane London EC4V 5ER
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Portland Building 25 High Street Crawley West Sussex RH10 1BG

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED

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CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The directors present their strategic report for the year ended 30 June 2019.

Review of business

The Company's profit for the financial year ended 30 June 2019 is £494,387 (2018: £5,406,229). Profit for year ending 30 June 2018 included dividend revenue from a subsidiary which didn't re-occur in the current year.

The Company's balance sheet at 30 June 2019 continues to strengthen showing net assets of £1.028m (2018 - £0.53m) mainly due to an increase to Trade receivables and recognition of Deferred tax asset.

The Company is considered a going concern on the basis that the financial liabilities will be settled through dividend flow from the trading subsidiaries and the ultimate parent undertaking has provided written confirmation of their intention to provide any necessary support, to enable the Company to trade and meet its liabilities as they fall due. The directors have made necessary inquiries to enable them to rely on the support.

In March 2020, the World Health Organisation declared the outbreak of a new coronavirus, COVID-19, as a global pandemic. As a result of global travel restrictions and government lockdowns, the outbreak has had a material impact on trading within the Corporate Travel Management Limited Group "the Group". Whilst the ultimate impact of the outbreak remains unknown, and with no clear indications of when international travel will return to normal, the Directors' continue to closely monitor the situation. Once the global pandemic has passed the Company believes, with the support of the Group, it will be in a strong position to continue to invest in the European market to strengthen its market position through winning new business and potential acquisitions.

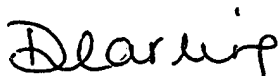
The principal risks to the business continue to be obtaining sufficient returns on its investments in controlled entities.

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

As a non trading holding company there are a few Key Performance Indicators that are regularly monitored by the Board, including but not limited to:

- returns on investments - dividend income; (2019: £Nil, 2018: £5,397,081)
- balance sheet position; (2019: Net Assets £1,028,418, 2018: Net Assets £534,031)

On behalf of the board



.....
D Carling – Director

19 June 2020

**CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and audited financial statements for the year ended 30 June 2019.

Results

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

Principle activities

The Company operates as a holding company.

Review of the business and future developments

Refer to strategic report on page 1.

Dividends

The directors recommended a dividend of £nil (2018 - £nil).

A dividend was paid during the year of £nil (2018- £4,597,082) (note 12)

Financial instruments

The Company's principal financial instruments are amounts owed from and amounts owed to group undertakings all of which are utilised to facilitate the group's cash flows. The main risks from the Company's financial instruments are credit risk.

Credit risk

The only debtors are subsidiary companies current accounts. Subsidiary companies recoverability is monitored on a continual basis.

The only creditors are subsidiary companies and parent companies and the main risk is that these group companies make calls on their debt. The ultimate parent undertaking has provided written confirmation of their intention to provide any necessary support, to enable the Company to trade and meet its liabilities as when they fall due.

Foreign exchange risk

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

This risk is primarily managed through the monitoring of both the level of likely future foreign currency intercompany loans.

Directors

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

D Carling

J Pherous

S Fleming (resigned 27 March 2020)

M Young (appointed 27 March 2020)

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

Employees

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

**CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Employees (continued)

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

Events occurring after the reporting period

In March 2020, the World Health Organisation declared the outbreak of a new coronavirus, COVID-19, as a global pandemic. As a result of global travel restrictions and government lockdowns, the outbreak has had a material impact on trading within the Corporate Travel Management Limited Group "the Group". Whilst the ultimate impact of the outbreak remains unknown, and with no clear indications of when international travel will return to normal, the Directors' continue to closely monitor the situation. The Group has provided confirmation to the Directors' that they will provide the necessary support for a period of at least one year from the date of these financial statements. The Directors' have taken appropriate steps to understand the action taken by the Group to ensure they have the ability to provide the support during the period that has been promised. As a result of these steps, the Directors' believe both the Group and therefore the Company have sufficient resources and ability to withstand the impact.

On 7 August 2019 the Group entered into a GBP125 million multi-currency syndicated facility maturing in August 2022. This facility replaces the existing facility in place at 30 June 2019. The new facility offers CTM improved rates, increased bank diversity and allows for future growth and flexibility.

Considering the COVID-19 impact on the travel industry, the facility was amended on 6 May 2020, reducing the limit to GBP100 million and waiving covenant testing until 30 June 2021.

Branches outside the UK

The Company has no branches outside of the UK.

Statement of directors' responsibilities in respect of the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Directors' confirmations

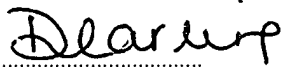
In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditors

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

On behalf of the board



D Carling - Director

19 June 2020

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 June 2019; the income statement, the statement of comprehensive income, the statement of changes in equity for the year ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

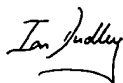
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
19 June 2020

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

		Year ended 30 June 2019	Year ended 30 June 2018
	Note	£	£
Other income		715,754	5,836,426
Total revenue and other income		<u>715,754</u>	<u>5,836,426</u>
Operating expenses			
Employee benefits	5,6	(506,955)	(427,711)
Administrative and general		2,146	(2,486)
Total operating expenses		<u>(504,809)</u>	<u>(430,197)</u>
Profit before income tax		<u>210,945</u>	<u>5,406,229</u>
Income tax credit	7	283,442	-
Profit for the financial year		<u>494,387</u>	<u>5,406,229</u>

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

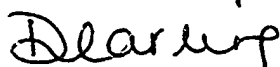
	Year ended 30 June 2019	Year ended 30 June 2018
	£	£
Profit for the financial year	494,387	5,406,229
Total comprehensive income for the year	<u>494,387</u>	<u>5,406,229</u>

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	As at 30 June 2019 £	As at 30 June 2018 £
ASSETS			
Current assets			
Trade and other receivables	9	622,904	440,446
Total current assets		622,904	440,446
Non-current assets			
Deferred tax asset	7	283,442	-
Investments in subsidiaries	8	2,346,568	2,346,568
Total non-current assets		2,630,010	2,346,568
TOTAL ASSETS		3,252,914	2,787,014
LIABILITIES			
Current liabilities			
Trade and other payables		2,224,496	2,252,983
Total current liabilities	10	2,224,496	2,252,983
TOTAL LIABILITIES		2,224,496	2,252,983
NET ASSETS/(LIABILITIES)		1,028,418	534,031
EQUITY			
Contributed equity	11	291,943	291,943
Reserves		39,777	39,777
Retained earnings		696,698	202,311
Capital and reserves attributed to owners of the company		1,028,418	534,031
TOTAL EQUITY		1,028,418	534,031

The notes on pages 11 to 22 are an integral part of these financial statements.

The financial statements on pages 7 to 22 were approved by the board of directors on 19 June 2020 and were signed on its behalf.



.....
D Carling - Director

Company Registration No. 05160716

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Called-up share capital £	Share premium £	Capital redemption reserve £	(Accumulated losses) / Retained earnings £	Total equity £
Balance at 1 July 2017		61,267	230,676	39,777	(606,836)	(275,116)
Total comprehensive income		-	-	-	5,406,229	5,406,229
Dividend Paid	12	-	-	-	(4,597,082)	(4,597,082)
Balance at 30 June 2018		<u>61,267</u>	<u>230,676</u>	<u>39,777</u>	<u>202,311</u>	<u>534,031</u>
Balance at 1 July 2018		61,267	230,676	39,777	202,311	534,031
Total comprehensive income		-	-	-	494,387	494,387
Balance at 30 June 2019		<u>61,267</u>	<u>230,676</u>	<u>39,777</u>	<u>696,698</u>	<u>1,028,418</u>

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Corporate Travel Management (Europe) Limited operates as a private holding company limited by shares.

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

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of Corporate Travel Management (Europe) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

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

Going concern

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2.1 Basis of preparation (continued)

New Accounting Standards

This note explains the impact of the adoption of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments on the Company's financial statements and discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

IFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Company has adopted IFRS 15 Revenue from Contracts with Customers from 1 July 2018, which resulted in changes in accounting policies and adjustments to the note disclosure. There has been no material impact on the Company's results for the year ended 30 June 2019. As this company is a holding company, there is no revenue from Contracts with Customers.

IFRS 9 Financial Instruments – Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relates to the recognition, classification and measurements of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 financial instruments from 1 July 2018 resulted in changes in accounting policies adopted by the Company. The change in the Company's accounting policies, applied from 1 July 2018, did not impact prior year financial statement balances. Opening balances have not been restated. There has been no material impact on the Company's results for the year ended 30 June 2019.

(a) Classification and measurement

On July 2018 (the date of initial application of IFRS 9) the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. There was no material impact on the balances in the financial statements resulting from this reclassification.

(b) Derivative and hedging activities

The Company does not participate in derivatives or hedging activities, therefore there is no material impact on derivative and hedging activities from the adoption of IFRS 9.

(c) Impairment of financial assets

The Company's financial assets are subject to IFRS 9's new expected credit loss model. The Company has revised its impairment methodology for financial assets and applied the simplified approach to measuring expected credit loss. The simplified approach uses a lifetime expected loss allowance. Financial assets have been grouped based on their shared credit risk characteristics. Contract assets represent balances earned, but which are not yet unconditional and have the same characteristics as trade receivables. Loss rates for trade receivables are a reasonable approximation for contract asset balances. There was no material impact on the financial statement balances resulting from the application of IFRS 9 methodology as the only financial assets are intercompany receivables.

Presentation of the financial statements

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2.2 Consolidation

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

These financial statements are separate financial statements.

2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Administrative and general'.

2.4 Financial assets

Classification

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

Loans and receivables

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

Recognition and measurement

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

2.5 Impairment of financial assets

The Company's financial assets are subject to IFRS 9's new expected credit loss model. The Company has revised its impairment methodology for financial assets and applied the simplified approach to measuring expected credit loss. The simplified approach uses a lifetime expected loss allowance.

Financial assets have been grouped based on their shared credit risk characteristics. Contract assets represent balances earned, but which are not yet unconditional and have the same characteristics as trade receivables. Loss rates for trade receivables are a reasonable approximation for contract asset balances. There was no material impact on the financial statement balances resulting from the application of IFRS 9 methodology.

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2.6 Trade and other receivables

Accounting policy from 1 July 2018

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

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

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

The expected credit loss rates are based on the historical payment profile of receivables prior to 30 June 2019 and 1 July 2018 and the corresponding historical credit losses experienced during this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the clients to settle the receivables.

Trade and client receivables, which generally have 7 to 30 day terms, are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method, less an allowance for impairment.

Client receivables result from the provision of travel services to clients. Trade Receivables result from other activities relating to the provision of travel services, such as commissions payable by suppliers.

Collectability of trade and client receivables is reviewed on an ongoing basis at an operational unit level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. The amount of the impairment loss is the receivable carrying amount compared to the present value of the estimated future cash flows, discounted at the original interest rate.

The amount of the impairment loss is recognised in the profit and loss in the Consolidated Statement of Comprehensive Income within administration expenses. When a trade receivable, for which an impairment allowance had been recognised, becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against administration expenses in the profit and loss in the Consolidated Statement of Comprehensive Income.

2.7 Investments in subsidiaries

Investments in controlled entities are held at cost less accumulated impairment losses.

2.8 Cash and cash equivalents

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

2.9 Share capital

Ordinary shares are classified as equity.

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2.10 Trade and other payables

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

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

2.11 Provisions

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

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

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

2.12 Current and deferred income tax

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

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

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

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

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2.12 Employee benefits

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

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

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

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

2.13 Other income

Other income represents income from subsidiaries for support services which is recognised when the right to receive payment is established.

2.14 Dividend distribution

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

3. Critical accounting estimates and judgements

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

(a) Deferred tax asset

The Company makes a judgement to recognise a Deferred tax asset. Management believe it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. 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 assets to be recovered.

3.1 Critical accounting estimates and assumptions

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

(a) Impairment of investments

The Company makes an estimate of the recoverable value of investments. When assessing impairment of investments, management considers factors such as the underlying value of net assets and historical experience.

4. Financial instruments

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

5. Profit before income tax

	2019	2018
	£	£
Operating profit is stated after charging:		
Wages and salaries	415,393	367,067
Social security cost	62,067	56,754
Other pension costs	29,495	3,890
Total staff costs	<u>506,955</u>	<u>427,711</u>
Foreign exchange (gains)/losses	(3,022)	2,486
Auditors' remuneration		
Fees payable for the audit of the company	<u>4,000</u>	<u>4,000</u>

6. Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the Company during the year was:

Employees and directors

	2019	2018
	No.	No.
Office and administration	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

Directors

The directors' remunerations were as follows:

	2019	2018
	£	£
Remuneration for qualifying services	415,393	367,067
Defined contribution schemes	29,495	3,890
	<u>444,888</u>	<u>370,957</u>

Post-employment benefits are accruing for 2 (2018: 2) under defined contribution schemes.

Highest paid director

	2019	2018
	£	£
Aggregate remuneration	<u>274,974</u>	<u>230,703</u>
	<u>274,974</u>	<u>230,703</u>

The remuneration of the Directors represents remuneration for their services as Directors of the Company that is apportioned to Corporate Travel Management (Europe) Limited. Some of the Directors are also Directors of a number of companies within the Group and an apportionment of their remuneration in respect of the Company is split between parent entity, Corporate Travel Management Limited and Corporate Travel Management (Europe) Limited where agreed between the entities. The directors receive £7,650 of benefits in kind from other group companies.

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

7. Income tax credit

Tax income included in income statement

	2019	2018
	£	£
Current tax:		
U.K Corporation tax on profits for the year	40,080	-
Adjustment in respect of prior periods	(323,522)	-
Total current tax	(283,442)	-

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

Tax expense for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 30 June 2019 of 19.00% (2018: 19.00%). The differences are explained on the following page.

	2019	2018
	£	£
Profit on ordinary activities before taxation	210,945	5,406,229
Profit multiplied by the standard rate of tax in the UK of 19.00% (2018: 19.00%)	40,080	1,027,184
Effects of:		
Non taxable income	-	(1,025,446)
Other tax adjustments	-	-
Adjustment in respect of prior periods	(323,522)	-
Utilisation of previously unrecognised tax losses	-	(1,738)
Tax on profit on ordinary activities	(283,442)	0

Tax expense for the year is Lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 30 June 2019 of 19.00% (2018: 19.00%). The differences are explained on the below page.

The adjustment in respect of prior year is the recognition of Deferred tax asset, as management believe it is probable that future taxable profit will be available against which the unused tax losses will be allocated.

At the balance sheet date, a reduction to the UK corporation tax to 17.0% on 1 April 2020 had been substantively enacted on 16 October 2016. Deferred tax balances have been stated at this rate. In the Spring Budget 2020, the government announced that from 1 April 2020 the corporation tax rate would remain at 19.0% (rather than reducing to 17.0%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19.0% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

7. Income tax credit (continued)

	2019 £	2018 £
Unutilised tax losses	1,392,798	1,603,743
Non-trade loan relationship deficit	99,003	-
Total unutilised tax losses	<u>1,491,801</u>	<u>1,603,743</u>

Deferred taxes as the statement of financial position date have been measured using these enacted tax rates and reflected in these financial statements.

Deferred tax

	2019 £	2018 £
Deferred tax assets		
The balance comprises temporary differences attributable to:		
Prior period tax losses	<u>283,442</u>	-
	<u>283,442</u>	-

	At 1 July 2018 £	Credited in year via P&L £	Credited in year via equity £	At 30 June 2019
Deferred income tax				
Deferred tax assets				
Prior period tax losses	-	283,442	-	283,442
	-	283,442	-	283,442

8. Investments in subsidiaries

	2019 £	2018 £
Shares in group undertakings		
Opening balance	2,346,568	2,336,663
Additions	-	9,905
Closing balance	<u>2,346,568</u>	<u>2,346,568</u>

During the year Corporate Travel Management (United Kingdom) Limited struck off Interact Events Limited and Chambers Elite Limited. Additions in prior year comprise the share capital in Corporate Travel Management (Poland) sp. z.o.o and Corporate Travel Management (Hungary) Kft.

In the opinion of the directors, the aggregate and individual value of the Company's investments in subsidiary undertakings is not less than the amount included in the balance sheet.

Investments comprise equity shares in the companies below, none of which are publicly traded.

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

8. Investments (continued)

	Country of incorporation	Shares held % 2019	2018
Controlled entities' undertakings			
Corporate Travel Management (United Kingdom)	United Kingdom	100	100
Corporate Travel Management (Germany) GmbH	Germany	100	100
Corporate Travel Management (Netherlands) BV	Netherlands	100	100
Corporate Travel Management (France) SAS	France	100	100
Corporate Travel Management (Sweden) AB	Sweden	100	100
Corporate Travel Management (Switzerland) GmbH	Switzerland	100	100
Corporate Travel Management (Czech Republic) s.r.o.	Czech Republic	100	100
Corporate Travel Management (Norway) AS	Norway	100	100
Corporate Travel Management (Denmark) Aps	Denmark	100	100
Corporate Travel Management (Hungary) Kft.	Hungary	100	100
Corporate Travel Management (Poland) sp. z o.o	Poland	100	100

Controlled entities' undertakings

Corporate Travel Management (United Kingdom)
Corporate Travel Management (Germany) GmbH
Corporate Travel Management (Netherlands) BV
Corporate Travel Management (France) SAS
Corporate Travel Management (Sweden) AB
Corporate Travel Management (Switzerland) GmbH
Corporate Travel Management (Czech Republic) s.r.o.
Corporate Travel Management (Norway) AS
Corporate Travel Management (Denmark) Aps
Corporate Travel Management (Hungary) Kft.
Corporate Travel Management (Poland) sp. z o.o

Registered address

One Carter Lane, London, EC4V 5ER, United Kingdom
Am Borsigturm 27, 13507, Berlin, Germany
One Carter Lane, London, EC4V 5ER, United Kingdom
50 rue du faubourg Saint Antoine, 75012, Paris, France
P.O. Box 162 85, 103 25, Stockholm, Sweden
Banhofstrasse 9, 6340 Baar, Switzerland
Jičínská 226/17, Žižkov, 130 00 Praha 3, Czech Republic
Munkedamsveien 59 B, 0270 Oslo, Norway
Harbour House, Sundkrogsgade 21, DK-2100, Copenhagen, Denmark
1027 Budapest, Kapás utca 6-12
ul. Grabarska 1, 50-079 Wroclaw, Poland

Dividends of £nil (2018: £5,397,081) were received from Corporate Travel Management (United Kingdom) Limited in the prior year.

9. Trade and other receivables

	2019 £	2018 £
Amounts owed by group undertakings	606,732	424,426
Other receivables	16,172	16,017
Prepayments and accrued income	-	3
	<u>622,904</u>	<u>440,446</u>

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

CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

10. Total current liabilities

	2019	2018
	£	£
Amounts owed to group undertakings	2,223,565	2,252,983
Trade payables	931	-
	<u>2,224,496</u>	<u>2,252,983</u>

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

11. Contributed Equity

Ordinary shares of 5p each

	£	No.
At 1 July 2018 and 30 June 2019	<u>61,267</u>	<u>1,225,340</u>

All shares rank pari passu in all respects.

	2019	2018
	£	£
Share Premium	<u>230,676</u>	<u>230,676</u>

12. Dividends

	2019	2018	2019	2018
	per share	per share	£	£
Dividends on ordinary shares				
Paid dividend	£ -	£ 3.75	-	4,597,082
	<u>£ -</u>	<u>£ 3.75</u>	<u>-</u>	<u>4,597,082</u>

**CORPORATE TRAVEL MANAGEMENT (EUROPE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

13. Related party transactions

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

During the year the Company received dividends of £nil (2018: £5,397,081). Dividends received in prior year from Corporate Travel Management (United Kingdom) Limited, a 100% owned subsidiary.

See note 6 for disclosure of the directors' remuneration.

There are no other related party transactions requiring disclosure.

14. Financial charge over assets

The Group holds a club facility with HSBC Bank and the Commonwealth Bank of Australia. This multi-currency facility includes lines of credit up to GBP 101.6 million. Security has been provided over CTM Group assets including those of the Company, and subsidiary shareholding to a Security Trustee for the benefit of the financiers. After the end of the reporting period the charge was amended, see note 16.

15. Control

The immediate parent undertaking of this Company is Corporate Travel Management (UK) Limited, incorporated in England and Wales, whose registered office is One Carter Lane, London, EC4V 5ER. The ultimate parent undertaking and controlling party of this Company is Corporate Travel Management Limited, incorporated in Australia, whose registered office is Level 24 307 Queen Street, Brisbane, Queensland, 4000, Australia. Corporate Travel Management Limited is the largest and smallest group of undertakings for which consolidated financial statements are drawn up.

16. Events occurring after the reporting period

In March 2020, the World Health Organisation declared the outbreak of a new coronavirus, COVID-19, as a global pandemic. As a result of global travel restrictions and government lockdowns, the outbreak has had a material impact on trading within the Corporate Travel Management Limited Group "the Group". Whilst the ultimate impact of the outbreak remains unknown, and with no clear indications of when international travel will return to normal, the Directors' continue to closely monitor the situation. The Group has provided confirmation to the Directors' that they will provide the necessary support for a period of at least one year from the date of these financial statements. The Directors' have taken appropriate steps to understand the action taken by the Group to ensure they have the ability to provide the support during the period that has been promised. As a result of these steps, the Directors' believe both the Group and therefore the Company have sufficient resources and ability to withstand the impact.

On 7 August 2019 the Group entered into a GBP125 million multi-currency syndicated facility maturing in August 2022. This facility replaces the existing facility in place at 30 June 2019. The new facility offers CTM improved rates, increased bank diversity and allows for future growth and flexibility.

Considering the COVID-19 impact on the travel industry, the facility was amended on 6 May 2020, reducing the limit to GBP100 million and waiving covenant testing until 30 June 2021.