REGISTERED NUMBER: 05826495 (England and Wales)

CWT New Holdco Ltd

Annual Report and Financial Statements

For the Year Ended 31 December 2020

CWT New Holdco Ltd

Contents of the Annual Report and Financial Statements
For the Year Ended 31 December 2020

Officers and Professional Advisers
For the Year Ended 31 December 2020

Directors:	D Harman R L H Turner
Secretary:	A Gibbs
Registered office:	40 Bank Street 31st Floor Canary Wharf London E14 5NR United Kingdom
Registered number:	05826495 (England and Wales)
Auditor:	Deloitte LLP Statutory Auditor London United Kingdom

CWT New Holdco Ltd

Strategic Report
For the Year Ended 31 December 2020

The directors present their Strategic Report for the year ended 31 December 2020.

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

Principal activity
The principal activity of the Company is to act as a holding company. The directors anticipate that this activity will continue for the foreseeable future.

Results
The financial position of the Company at 31 December 2020 is set out in the Balance Sheet on page 14. The Company made a loss after tax of £2,498,605 (2019: £2,567,245).

The Directors do not consider that there are any relevant key performance indicators to disclose due to nature of business.

Section 172(1) statement
The Board of Directors, as part of their duties for the whole of CWT UK Group, and in line with their duties under s172 of the Companies Act 2006, act in a way they consider, and in good faith, would be most likely to promote the success of the Company for the benefit of the members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. The directors consider the potential impact of decisions on key stakeholders and take into account wider factors when considering the impact, the Company may have on the community and the environment.

Human Resources and Human Rights
The Company continues to be successful in retaining a high proportion of long-serving experienced staff, despite the recent effects of the pandemic. The Company's employment policy continues to follow all equal opportunity best practice, and to consult with employees via staff consultative committees. Throughout the year, global employee 'pulse' surveys have historically provided valuable feedback on strategy, customer experience, employee engagement, performance development, empowerment and accountability, innovation and enablement, our culture and our brand attributes.

Diversity, equity and inclusion are central to how CWT and our employees conduct business every day. In 2020, we reinforced our commitment to through our Global Diversity, Equity and Inclusion Taskforce. Sponsored by the Chief Human Resources Officer, the Taskforce leads programs and initiatives that foster an inclusive work environment rooted in our values. The Taskforce is made up of strong leaders from different regions and functions who are passionate about DE&I.

Promoting gender equality is a key focus of the Company. At the end of 2020, 69% of our 15,000 employees were women, as well as 47% of all director-level roles and above and 43% of direct reports of our Executive Leadership Team. In line with our commitment to gender equality, we fully endorse the United Nations Women's Empowerment Principles, which outline seven steps businesses can take to promote gender equality in the workplace and in society. In the United Kingdom, our Chief Technology Officer spoke on the importance of promoting diversity in IT at the Women in Telecoms and Technology Travel Trends evening in London.

Learning and development remains a key focus and method for retaining staff. We apply the 70/20/10 learning model principles to our learning programs, in which 70% of learning is achieved by on-the-job exposure, 20% is derived from mentoring or coaching, and 10% is from attending our face-to-face or virtual learning opportunities. Each employee has access to My Learning, our global learning management system. From here, they can gain access to online training courses, topic-specific videos, and toolkits that provide support to those in leadership roles. Although 2020 presented challenges due to the pandemic, globally CWT made 1,319 training sessions available, comprising 910 virtual sessions and 409 instructor-led sessions. These accounted for just over 52,000 learning hours.

Clients
In 2020, we continued to enhance the CWT travel app and other products in our portfolio. Many of these include effective reporting tools so travel managers can make informed decisions about safety, security, and wellbeing. Innovative examples include:

- Safety & security alerts, powered by International SOS
- my CWT and mobile app
- Tracking people through CWT AnalytIQs
- Crisis communications

Section 172(1) statement - continued

Clients - continued

CWT remains committed to helping our clients reduce the environmental impact of their travel programs. Our efforts include:

- Responsible travel consulting – In 2020, CWT Solutions Group developed a responsible travel consulting program to help companies look beyond compliance and cost management. This new ECO framework, which covers Employee Wellbeing, Climate Impact and Organizational Performance, lets clients design travel programs that enhance bottom line figures in social, environmental and financial fields.
- Emissions reporting - AnalytIQs, our business intelligence platform and reporting tool, analyses CO2 emissions and provides our clients with environmental data after their trips.
- Messaging for travellers – Our Program Messenger tool can send customized messages to our client's travellers. These messages raise awareness about various environmental impact aspects of their travel purchasing decisions.

Suppliers

Key trade supplier relationships are managed by regular formal and informal meetings with suppliers, with the global supplier management team focused on maintaining and developing beneficial supplier agreements for all parties.

The Company's Responsible Purchasing program was launched in 2014 with an initial focus on non-trade suppliers. In 2019, we expanded the scope of the program to trade suppliers and will be adapting it to them further over the coming years. The program demonstrates our commitment to the UN Global Compact and to the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Our Responsible Purchasing program consists of two main areas of focus:

1. Awareness and training for all employees. A training module, readily available on our online learning platform encourages our people to learn how to apply the Responsible Supplier Code.

2. Embedding our Responsible Business criteria throughout our purchasing processes utilising:
   a. Responsible Business questions in requests for proposals (RFPs)
   b. Our Responsible Supplier Code: to ensure that our non-trade suppliers match our high standards of ethical conduct, we expect them to adhere to the principles of our Responsible Supplier Code.

   The Responsible Supplier Code covers the following broad topics:
   - compliance and ethics;
   - products and services;
   - human rights, including working conditions, anti-human trafficking and the fight against modern slavery, child exploitation, diversity and inclusion;
   - protection of the environment;
   - occupational health and safety; and
   - non-compliance, auditing and reporting issues.

Business Conduct and Ethics

Our Code of Business Ethics and Conduct ('the Code') defines how we act and behave every day. It is the foundation of all CWT compliance policies and encourages our people to help address any ethical dilemmas they may encounter. Fundamentally, it helps us maintain the trust we have built with our employees, clients and suppliers.

The Code outlines the ethical standards we expect of our teams and contractors wherever we do business. This is reinforced through annual awareness training on topics such as anti-bribery, anti-corruption, nonretaliation, gifts and entertainment. As part of the training, every employee must read and understand all aspects of the Code to ensure they are acting in line with our business ethics and our strong stance on human rights.

Enabling stakeholders to raise concerns or questions is vital in making sure we behave ethically and can deal with issues fully and professionally. Available 24/7, our confidential Ethics Helpline connects callers (employees, clients and other third parties) to an experienced, independent operator in their own language. Concerns are logged by phone and/or through an online tool where they are addressed promptly. We also make use of a third-party provider to verify adherence to local privacy laws and reporting requirements.

Section 172(1) statement - continued

Climate Change and the Environment
As we state in our Global Environmental Charter, we are committed to environmental stewardship. Our approach aligns with the commitments we make as a signatory to the UN Global Compact's environmental principles and focuses on three core priorities:

- voluntarily measuring, reporting and reducing emissions;
- creating an environmentally-responsible culture:
  - through awareness-raising campaigns;
  - by promoting global and local actions that improve our environmental footprint;
  - by encouraging employee-led environmental actions and initiatives; and
- supporting our clients in implementing environmentally responsible solutions to tackle climate-related issues

To ensure our strategy is consistently delivered, our global cross-functional Climate Taskforce, launched in January 2020, drives the strategy forward. The Taskforce has two areas of focus: help support our customers' environmental ambitions and further reinforce our own environmental performance.

The Company is acting to reduce the impact of our offices. By promoting responsible offices, we are looking to optimise their use, space, and energy consumption. Our Real Estate team has a multi-year Workplace 3.0 strategy, focused on reducing office space, merging underutilized offices and upgrading offices to more energy-efficient solutions. Our vision for sustainable workplaces includes energy-saving initiatives, avoiding the heating and cooling of unused spaces, and putting the emphasis on improved buildings, design and location.

Some examples include:

- Reducing the number of offices in order to lower our carbon footprint.
- A policy of leasing more modern, energy-efficient buildings, enabling us to accommodate more desks as the systems, toilet facilities and fire escape routes are better able to accommodate a greater density.
- Hot-desking and enabling employees to work from home to reduce emissions from commuting.
- Incorporating facilities that encourage recycling within office design.
- Reducing the overall number of printers and using 'follow me' printing to ensure that documents are not printed until the employee collects them by swiping their access badge.

More detail on our responsible business actions, policies and milestones can be reviewed through the CWT Annual Responsible Business Report which is available on our website.

https://www.mycwt.com/content/dam/vision/pdf/responsible-business-ethics/cwt-responsible-business-2021-report.pdf

Post balance sheet events
The Group entered into a Restructuring Support Agreement on September 10, 2021 (as amended and restated, the "RSA"). The RSA was executed by the Group and its financial stakeholders including Carlson Inc., (which indirectly owned 85% of the equity of the Group), 100% of the Group's revolving credit facility lender group and holders of over 90% of the Group's outstanding secured debt. Under the RSA, the stakeholders agreed to support a Plan of Reorganization ("the Plan") and vote or consent in favor of any matter requiring their approval. On November 11, 2021, Carlson Travel, Inc. and certain of its domestic and international subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. On November 12, 2021, the Bankruptcy Court entered an order confirming and approving the Plan. On November 19, 2021 the conditions to the effectiveness of the Plan were satisfied and the Group emerged from Chapter 11.

Under the Plan, the existing equity in the Group was cancelled and Carlson, Inc. no longer maintains control of the Group as of the effective date of the Plan. In addition, USD350 million of new equity capital was injected into the Group and approximately 50% of the Group's total global secured debt was eliminated, which is a significant deleveraging event. All of the Group's business partners and other providers of goods and services have or will be paid in full. Following implementation of the Plan, the Group has a significantly stronger financial position, with increased available cash and approximately 50% less long-term debt. CWT Travel Holdings, Inc., a new Delaware entity formed in line with the terms of the Plan, is the surviving new Group parent entity.

Post balance sheet events - continued

The going concern section within the Directors Report on page 6 to 8 outlines the adverse impact that the Covid-19 pandemic had on the Company in 2020, and has continued through to early 2022, with the delta variant of the virus in summer 2021, and then the Omicron variant in Q4 2021 delaying the recovery from the initial onset of the pandemic.

The continued restrictions imposed by the UK, and international governments, to contain the spread of the virus has negatively impacted the return to trading initially anticipated through late-2021 into early 2022. The Company anticipates an economic recovery through 2022 as the impacts of the pandemic reduce, the mass-vaccination programmes continue their rollout and international borders reopen. However, there is still uncertainty around the speed and magnitude of the recovery as global economies bounce back.

The Company remains focused on its core strategies in the longer-term, and continues to invest towards these goals, but with the current reduced trading levels in early 2022 it will remain focused on controlling expenditure, and managing working capital efficiently until there is more certainty around the emergence from the pandemic.

Principal risks and uncertainties

The worldwide pandemic resulting from the spread of the COVID-19 virus has caused a significant interruption to the Company's business, beginning in March 2020. The Company management has taken decisive cost reduction and cash management actions to mitigate the impact on the Group and Company's liquidity and financial position, including the CWT Group entering into a Chapter 11 process in the US in November 2021 (covered in the Going Concern section of the notes to these financial statements, as well as Post-Balance Sheet Events). In addition to the Group Chapter 11 process, local actions taken to date have included delaying vendor payments, renegotiating lease and other agreements, delaying or suspending discretionary projects, and implementing voluntary or compulsory unpaid leave or a reduction in working hours where legally allowed.

During UK lockdown periods the Company has demonstrated that its internal policies, procedures and technology have allowed it to continue normally with remote working, continuing to support its clients and staff. The directors anticipate further returns to office working as the impacts of the Covid-19 pandemic subside, but remote working remains an option for the longer term, aligned with government guidance.

Management continues to monitor developments closely so that swift action can be taken to update policies and procedures in response to the changing situation.

Approved by the Board and signed on its behalf by:

Rhi L. H. Turner

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R L H Turner - Director

40 Bank Street 31st Floor
Canary Wharf
London
E14 5NR
United Kingdom

Date: 28th February 2022

Directors' Report
For the Year Ended 31 December 2020

The directors present their Annual Report on the affairs of the Company, together with the audited financial statements and Auditor's Report, for the year ended 31 December 2020.

Change of name
The Company passed a special resolution on 9 July 2020 changing its name from Carlson Wagonlit New Holdco Limited to CWT New Holdco Ltd.

Directors
The directors who held office during the year and up to the date of signing these financial statements except as noted, were as follows:

C Bowen (resigned 1 September 2021)
D Harman
S Kapoor (resigned 31 March 2020)
R H L Turner

Dividends
The directors approved and paid a final dividend of £nil (2019: £nil).

Financial risk management objectives and policy
The Directors do not not consider that in relation to financial instruments the company is exposed to any material financial risks such as price risk, credit risk, liquidity risk and cash flow risk due to nature of business.

Principal risks and uncertainties
Details of principal risks and uncertainties can be found in the Strategic Report on page 4 by cross-reference.

Engagement with suppliers, customers and others
Details of engagement with suppliers, customers and others can be found within the Section 172(1) statement in the Strategic Report on pages 2 to 4 by cross-reference.

Future developments
The directors expect the Company to continue to fulfil its role as a holding company in the forthcoming year.

Going concern
While the Company is a holding company, the directors have given consideration to the going concern position of its trading subsidiary and its position in the larger group headed by Carlson Travel, Inc.

The directors have noted consideration of the current COVID-19 pandemic and future developments in the Strategic Report. The directors expect the Company and the wider group of which it is a subsidiary to continue in operational existence for the foreseeable future based upon cash flow, profit and balance sheet projections, being a period of at least 12 months from the signing of these financial statements.

The Company's liquidity position is inextricably linked to the liquidity position of other companies within the Group, due to the nature of cash pooling arrangements that exist across the Group. Consequently, to assess the liquidity position of the Company, the directors have considered the wider operational, liquidity and funding impacts of the crisis on other companies within the Group who also form part of the pooling arrangements.

In order to preserve liquidity during the crisis period, CWT UK Group Ltd (CWT), being the Company's trading subsidiary, and the wider Group have taken the following measures:

• A significant element of CWT's cost base relates to wages and salaries. Where possible, and subject to local regulations, staffing levels and hours worked have been reduced. When available, Government support has also been taken to offset staff costs that continue to be incurred.

• Capital expenditure on major projects has been re-phased or delayed.

• Actions have been taken to defer or reduce payments of fixed costs and unpaid variable costs from the pre-crisis period, including agreements with Government fiscal authorities on certain tax payments and use of the furlough scheme.

• Continued support from Group in relation to working capital payments and funding access for the day-to-day operations.

Going concern - continued

The directors have prepared a UK trading cashflow forecast which covers a period of 12 months from the date of approval of these financial statements, taking into account the mitigating actions that have already been agreed. Whilst there will not be a uniform return to operations, transaction volumes are predicted to grow through the course of 2022, but return to pre-pandemic levels are expected to take longer.

The directors locally, and globally have already taken a number of measures as described above to manage the Company's liquidity position. In the event of more prolonged impacts from the pandemic, the directors have a range of measures which are within their control, to protect the Company's liquidity position further, including:

- Re-phasing of cash outflows with key suppliers and trade partners.
- Additional changes to working arrangements to reduce staff costs further
- Further additional liquidity injections from the Group

The Company's parent, Carlson Travel, Inc., a subsidiary of the ultimate parent company CWT Travel Holdings Inc, has committed to support CWT New Holdco Ltd as necessary for a period of 12 months from the signing of these financial statements. As with any Company placing reliance on other entities for financial support, the directors acknowledge that the ability of the parent company to provide this support is dependent on the group's ability to continue as a going concern. However, the directors have obtained legal advice from CWT inhouse council and consider that the written commitment provided, together with their assessment of the parent company's ability to provide the support is an appropriate basis upon which to base their assessment of the Company as a going concern.

The directors also considered a worst-case scenario forecast with minimal trading returning to the UK market well into 2022, and the liquidity pressures that this would create. This was then evaluated along with extensive forecasts and scenario modelling conducted for key metrics at a global level as part of recent refinancing of the CWT Group (Carlson Travel, Inc), and the performance against this forecast in recent months, post-refinancing. As a result of reviews of the forecasts with global management the directors are in agreement that the liquidity in the group is such that should the UK business require, the capital support will be made available from the Group for the period of 12 months from the signing of these financial statements.

Post balance sheet events

The Group entered into a Restructuring Support Agreement on September 10, 2021 (as amended and restated, the "RSA"). The RSA was executed by the Group and its financial stakeholders including Carlson Inc., (which indirectly owned 85% of the equity of the Group), 100% of the Group's revolving credit facility lender group and holders of over 90% of the Group's outstanding secured debt. Under the RSA, the stakeholders agreed to support a Plan of Reorganization ("the Plan") and vote or consent in favor of any matter requiring their approval. On November 11, 2021, Carlson Travel, Inc. and certain of its domestic and international subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. On November 12, 2021, the Bankruptcy Court entered an order confirming and approving the Plan. On November 19, 2021 the conditions to the effectiveness of the Plan were satisfied and the Group emerged from Chapter 11.

Under the Plan, the existing equity in the Group was cancelled and Carlson, Inc. no longer maintains control of the Group as of the effective date of the Plan. In addition, USD350 million of new equity capital was injected into the Group and approximately 50% of the Group's total global secured debt was eliminated, which is a significant deleveraging event. All of the Group's business partners and other providers of goods and services have or will be paid in full. Following implementation of the Plan, the Group has a significantly stronger financial position, with increased available cash and approximately 50% less long-term debt. CWT Travel Holdings, Inc., a new Delaware entity formed in line with the terms of the Plan, is the surviving new Group parent entity.

The going concern section within the Directors Report on page 6 to 8 outlines the adverse impact that the Covid-19 pandemic had on the Company in 2020, and has continued through to early 2022, with the delta variant of the virus in summer 2021, and then the Omicron variant in Q4 2021 delaying the recovery from the initial onset of the pandemic.

The continued restrictions imposed by the UK, and international governments, to contain the spread of the virus has negatively impacted the return to trading initially anticipated through late-2021 into early 2022. The Company anticipates an economic recovery through 2022 as the impacts of the pandemic reduce, the mass-vaccination programmes continue their rollout and international borders reopen. However, there is still uncertainty around the speed and magnitude of the recovery as global economies bounce back.

CWT New Holdco Ltd

Directors' Report - continued
For the Year Ended 31 December 2020

Post balance sheet events - continued
The Company remains focused on its core strategies in the longer-term, and continues to invest towards these goals, but with the current reduced trading levels in early 2022 it will remain focused on controlling expenditure, and managing working capital efficiently until there is more certainty around the emergence from the pandemic.

Directors' indemnities
The Company has maintained throughout the year directors' and officers' liability insurance for the benefit of the Company, the directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006.

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

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors 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 s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor, and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

R L H Turner - Director

40 Bank Street 31st Floor
Canary Wharf
London
E14 5NR
United Kingdom

Date: 28th February 2022

Directors' Responsibilities Statement
For the Year Ended 31 December 2020

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

Company law requires the directors to prepare such 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, 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 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.

Independent Auditor's Report to the Members of CWT New Holdco Ltd

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of CWT New Holdco Ltd (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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 Auditor's Report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:
• had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006, pensions, employment and tax legislation.
• do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included GDPR and employment law.

We discussesd among the audit engagement team, including relevant internal specialists such as tax and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
• reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
• performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
• enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
• reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirement

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

E. Benson

Elizabeth Benson BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 28 February 2022

Profit and Loss Account
For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Finance costs	5	(2,498,605)	(2,567,245)
Loss before taxation	6	(2,498,605)	(2,567,245)
Taxation	7	-	-
Loss for the financial year		(2,498,605)	(2,567,245)

The above results were derived from continuing operations.

There are no items of comprehensive income in the current and prior year other than as stated above. Accordingly, a Statement of Comprehensive Income has not been presented.

CWT New Holdco Ltd

Balance Sheet
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	8	67,607,121	67,607,121
Creditors			
Amounts falling due within one year	9	(9,583,095)	(8,333,792)
Net current liabilities		(9,583,095)	(8,333,792)
Total assets less current liabilities		58,024,026	59,273,329
Creditors			
Amounts falling due after more than one year	10	(34,122,005)	(32,872,703)
Net assets		23,902,021	26,400,626
Capital and reserves			
Called-up share capital	11	2	2
Share premium	11	34,019,580	34,019,580
Profit and loss account	11	(10,117,561)	(7,618,956)
Total shareholders' funds		23,902,021	26,400,626

The financial statements of CWT New Holdco Ltd (registered number: 05826495) were approved by the Board of Directors and authorised for issue on 28th February 2022 and were signed on its behalf by:

Rosi U. H. Turner

R L H Turner - Director

Statement of Changes in Equity
For the Year Ended 31 December 2020

	Called-up share capital £	Share premium £	Profit and loss account £	Total £
Balance at 1 January 2019	2	34,019,580	(5,051,711)	28,967,871
Loss for the year and total comprehensive expense	-	-	(2,567,245)	(2,567,245)
Balance at 31 December 2019	2	34,019,580	(7,618,956)	26,400,626
Loss for the year and total comprehensive expense	-	-	(2,498,605)	(2,498,605)
Balance at 31 December 2020	2	34,019,580	(10,117,561)	23,902,021

1. General information

CWT New Holdco Ltd (the 'Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Carlson Travel Inc., which are available to the public and can be obtained from the Trade Register of the Chamber of Commerce in Amsterdam.

2. Adoption of new and revised standards

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7
In September 2019, the IASB issued Interest Rate Benchmark Reform, (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7) Financial Instruments: Disclosures. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company given that it does not applies hedge accounting to its benchmark interest rate exposures.

Impact of the initial application of COVID-19 Related Rent Concessions Amendment to IFRS 16
In May 2020, the IASB issued COVID-19 Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

The Company has chosen to early-adopt this amendment, and has applied the change from 1 January 2020.

As the Company has no COVID-19 related rent concessions in either year, the application of amendment to IFRS 16 has had no impact on the financial position, financial performance or disclosures of the Company.

Impact of initial application of other amendments to IFRS Standards and Interpretations
In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

1. Amendments to References to the Conceptual Framework in IFRS Standards
2. Amendments to IAS 1 and IAS 8 Definition of material

3. **Accounting policies**

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.

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council.

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

Summary of disclosure exemptions
As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standard not yet effective, impairment of assets and related party transactions.

Basis of preparation: Going concern assumption
While the Company is a holding company, the directors have given consideration to the going concern position of its trading subsidiary and its position in the larger group headed by Carlson Travel, Inc.

The directors have noted consideration of the current COVID-19 pandemic and future developments in the Strategic Report. The directors expect the Company and the wider group of which it is a subsidiary to continue in operational existence for the foreseeable future based upon cash flow, profit and balance sheet projections, being a period of at least 12 months from the signing of these financial statements.

The Company's liquidity position is inextricably linked to the liquidity position of other companies within the Group, due to the nature of cash pooling arrangements that exist across the Group. Consequently, to assess the liquidity position of the Company, the directors have considered the wider operational, liquidity and funding impacts of the crisis on other companies within the Group who also form part of the pooling arrangements.

In order to preserve liquidity during the crisis period, CWT UK Group Ltd (CWT), being the Company's trading subsidiary, and the wider Group have taken the following measures:

- A significant element of CWT's cost base relates to wages and salaries. Where possible, and subject to local regulations, staffing levels and hours worked have been reduced. When available, Government support has also been taken to offset staff costs that continue to be incurred.
- Capital expenditure on major projects has been re-phased or delayed. Actions have been taken to defer or reduce payments of fixed costs and unpaid variable costs from the pre-crisis period, including agreements with Government fiscal authorities on certain tax payments and use of the furlough scheme.
- Continued support from Group in relation to working capital payments and funding access for the day-to-day operations.

The directors have prepared a UK trading cashflow forecast which covers a period of 12 months from the date of approval of these financial statements, taking into account the mitigating actions that have already been agreed. Whilst there will not be a uniform return to operations, transaction volumes are predicted to grow through the course of 2022, but return to pre-pandemic levels are expected to take longer.

3. **Accounting policies - continued**

Basis of preparation: Going concern assumption - continued
The directors locally, and globally have already taken a number of measures as described above to manage the Company's liquidity position. In the event of more prolonged impacts from the pandemic, the directors have a range of measures which are within their control, to protect the Company's liquidity position further, including:

- Re-phasing of cash outflows with key suppliers and trade partners.
- Additional changes to working arrangements to reduce staff costs further
- Further additional liquidity injections from the Group

The Company's parent, Carlson Travel, Inc., a subsidiary of the ultimate parent company CWT Travel Holdings Inc, has committed to support CWT New Holdco Ltd as necessary for a period of 12 months from the signing of these financial statements. As with any Company placing reliance on other entities for financial support, the directors acknowledge that the ability of the parent company to provide this support is dependent on the group's ability to continue as a going concern. However, the directors have obtained legal advice from CWT inhouse council and consider that the written commitment provided, together with their assessment of the parent company's ability to provide the support is an appropriate basis upon which to base their assessment of the Company as a going concern.

The directors also considered a worst-case scenario forecast with minimal trading returning to the UK market well into 2022, and the liquidity pressures that this would create. This was then evaluated along with extensive forecasts and scenario modelling conducted for key metrics at a global level as part of recent refinancing of the CWT Group (Carlson Travel, Inc), and the performance against this forecast in recent months, post-refinancing. As a result of reviews of the forecasts with global management the directors are in agreement that the liquidity in the group is such that should the UK business require, the capital support will be made available from the Group for the period of 12 months from the signing of these financial statements.

Investments in subsidiaries
Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

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

3. **Accounting policies - continued**

Taxation - continued

Deferred tax
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 ability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

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

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

Foreign currencies
Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated 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.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. **Accounting policies - continued**

Financial instruments - continued

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets held by the Company are classified as 'loans and trade receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Recognition and measurement

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'interest receivable and similar income' line item.

3. **Accounting policies - continued**

Financial instruments - continued

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

3. **Accounting policies - continued**

Financial instruments - continued

Impairment of financial assets - continued

(i) Significant increase in credit risk - continued
Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy
The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. **Accounting policies - continued**

Financial instruments - continued

Impairment of financial assets - continued

(v) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the Balance Sheet.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when 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 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. Accounting policies - continued

Financial instruments - continued

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost.
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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies, and reported amount of assets and liabilities, income and expenses. The estimates are associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying value of assets and liabilities that are not readily apparent from other sources.

The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

Critical judgements in applying the Company's accounting policies
The directors do not consider there to be any critical judgements which have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty
CWT Holdco holds investments in operating companies for CWT in UK and Ireland. Impairment analyses conducted does not suggest that any impairments are warranted, but due to recent Covid-19 pandemic-related trading impacts there is some estimation uncertainty around impairment of investments that will be reviewed regularly.

5. Finance costs

	2020	2019
	£	£
Interest payable on amount owed to Group undertakings	2,498,605	2,567,245

6. Loss before taxation

The directors received no emoluments in respect of their services to the Company (2019: £nil).

The Company had no employees for the current or prior year.

	2020	2019
	£	£
Audit fees for audit of financial statements were borne by another Group company	5,000	5,000
Total audit fees	5,000	5,000
- Tax compliance services	6,500	6,500
- Other assurance work	-	-
- Other services	1,500	1,500
Total non-audit fees	8,000	8,000

7. Taxation

Analysis of tax income

	2020	2019
	£	£
Current tax:		
Adjustment in respect of prior years	-	-
Total tax income in Profit and Loss Account	-	-

The tax on loss before tax for the year is same as the rate of corporation tax in the UK (2019: higher than the blended rate of corporation tax in the UK) of 19% (2019: 19%).

Factors affecting the tax expense
The tax assessed for the year is same as (2019: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Loss before tax	(2,498,605)	(2,567,245)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(474,735)	(487,777)
Effects of:		
Adjustment in respect of prior periods	474,735	487,777
Tax expense for the year	-	-

7. **Taxation - continued**

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 December 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction would not occur and the Corporation Tax Rate would be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

Finance Act 2021, which was substantively enacted on 24 May, includes a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

8. **Investments**

	2020 £
Cost	
At 1 January 2020 and 31 December 2020	67,607,121
Net book value	
At 31 December 2020	67,607,121
At 31 December 2019	67,607,121

Name of undertaking	Registered office	Country of registration	Description of shares	Proportion held by the company	Principal activity
CWT Holdco Limited	40 Bank Street Level 31, Canary Wharf,	England and Wales	Ordinary shares	100%	Holding company

The principal place of business of the Company's subsidiary undertaking is at the same address as its registered office.

9. **Creditors: amounts falling due within one year**

	2020 £	2019 £
Amounts owed to Group undertakings	9,583,095	8,333,792

The amounts are owed to CWT UK Group Ltd and are unsecured, interest free and payable on demand.

10. **Creditors: amounts falling due after more than one year**

	2020 £	2019 £
Loans owed to Group undertakings	34,122,005	32,872,703

The loan owed to Group undertakings is repayable in full on 30 June 2023. Interest is payable at a fixed rate of 7.625%.

11. Called-up share capital

	2020	2019
	£	£
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called-up and fully paid:		
2 ordinary shares of £1 each	2	2

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

Share premium
The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss
The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

12. Contingent liabilities

The Company has guaranteed the indebtedness of certain other companies in the Group. The Company has provided 100% of its share capital as security against this debt. The directors are not aware of any event of default that would require it to satisfy guarantees.

13. Post balance sheet events

The CWT Group entered into a Restructuring Support Agreement on September 10, 2021 (as amended and restated, the "RSA"). The RSA was executed by the Group and its financial stakeholders including Carlson Inc., (which indirectly owned 85% of the equity of the Group), 100% of the Group's revolving credit facility lender group and holders of over 90% of the Group's outstanding secured debt. Under the RSA, the stakeholders agreed to support a Plan of Reorganization ("the Plan") and vote or consent in favour of any matter requiring their approval. On November 11, 2021, Carlson Travel, Inc. and certain of its domestic and international subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas. On November 12, 2021, the Bankruptcy Court entered an order confirming and approving the Plan. On November 19, 2021 the conditions to the effectiveness of the Plan were satisfied and the Group emerged from Chapter 11.

Under the Plan, the existing equity in the Group was cancelled and Carlson, Inc. no longer maintains control of the Group as of the effective date of the Plan. In addition, USD350 million of new equity capital was injected into the Group and approximately 50% of the Group's total global secured debt was eliminated, which is a significant deleveraging event. All of the Group's business partners and other providers of goods and services have or will be paid in full. Following implementation of the Plan, the Group has a significantly stronger financial position, with increased available cash and approximately 50% less long-term debt. CWT Travel Holdings, Inc., a new Delaware entity formed in line with the terms of the Plan, is the surviving new Group parent entity.

The going concern section within the Directors Report on page 6 to 8 outlines the adverse impact that the Covid-19 pandemic had on the Company in 2020, and has continued through to early 2022, with the delta variant of the virus in summer 2021, and then the Omicron variant in Q4 2021 delaying the recovery from the initial onset of the pandemic.

13. **Post balance sheet events - continued**

The continued restrictions imposed by the UK, and international governments, to contain the spread of the virus has negatively impacted the return to trading initially anticipated through late-2021 into early 2022. The Company anticipates an economic recovery through 2022 as the impacts of the pandemic reduce, the mass-vaccination programmes continue their rollout and international borders reopen. However, there is still uncertainty around the speed and magnitude of the recovery as global economies bounce back.

The Company remains focused on its core strategies in the longer-term, and continues to invest towards these goals, but with the current reduced trading levels in early 2022 it will remain focused on controlling expenditure, and managing working capital efficiently until there is more certainty around the emergence from the pandemic.

14. **Controlling party**

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is CWT Travel Holdings Inc., a Company incorporated in the United States. The parent undertaking of the only group, which includes the Company and for which group accounts are prepared, is Carlson Travel Inc as at 31 December 2020. Copies of the group financial statements of Carlson Travel Inc. are available from the Trade Register of the Chamber of Commerce in Amsterdam. The registered office address of CWT Travel Holdings Inc is 251 Little Falls Drive, Wilmington, DE 19808, USA. CWT Holdco Limited is the immediate parent of the Company.