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Company registered no: 07729569 (England and Wales)

Arizonaco Limited
Annual report and financial statements
For the year ended 30 June 2019



Arizonaco Limited

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Arizonaco Limited

Company information

Directors

Ms V F Pollard (resigned 30 August 2018)
Mr J Pherous
Mr S Fleming (Resigned 27 March 2020)
Ms D Carling

Secretary

Ms V F Pollard (resigned 30 August 2018)
Mr S Fleming (Resigned 27 March 2020)

Company number

07729569

Registered office

Shire House
Humboldt Street
Bradford
BD1 5HQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
West Sussex
RH10 1BG

Arizonaco Limited

Strategic report For the year ended 30 June 2019

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

Fair review of the business

The results for the year and the financial position at the year end are considered satisfactory by the directors.

Principal risks and uncertainties

As the company is an intermediate holding company, the main risk and uncertainty is the future performance of the trading subsidiary, as any downturn in performance may affect the carrying value of the investment.

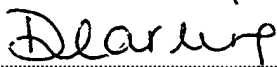
Key performance indicators

Given that the company does not trade the directors are of the opinion that further analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the company.

Financial risk management

As the company does not trade it does not use financial instruments as part of its financial risk management.

On behalf of the board



.....
D. Carling
Director

.....
Date: 19 June 2020

Arizonaco Limited

Directors' report For the year ended 30 June 2019

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

Principal activities and future developments

The company is non-trading holding company and is not expected to trade in the foreseeable future.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were:

- Ms V F Pollard (resigned 30 August 2018)
- Mr J Pherous
- Mr S Fleming (Resigned 27 March 2020)
- Ms D Carling

Results and dividends

The results for the year are set out on page 8.

An interim ordinary dividend was paid amounting to £12,200,000 (2018: £nil). The directors do not recommend payment of a final dividend.

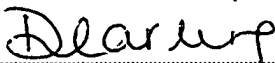
Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and resolution concerning their reappointment will be proposed at the annual general meeting.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D. Carling
Director

Date: 19 June 2020

Arizonaco Limited

Directors' responsibilities statement for the year ended 30 June 2019

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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.

Arizonaco Limited

Independent auditors' report to the members of Arizonaco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arizona 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 balance sheet as at 30 June 2019; the profit and loss account and the statement of changes in equity for the year then 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.

Independent auditors' report to the members of Arizonaco Limited (continued)

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 Directors' Responsibilities Statement set out on page 4, 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.

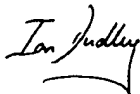
Other required reporting

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

Arizonaco Limited

Profit and loss account For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Administrative expenses		-	(45)
Other operating income		-	-
Operating profit/(loss)		-	(45)
Income from shares in group undertakings	4	8,200,000	-
Profit/(loss) before taxation		8,200,000	(45)
Tax on profit/(loss) on ordinary activities	5	-	25
Profit/(loss) for the financial year		8,200,000	(20)
Total comprehensive income/(expense) for the year		8,200,000	(20)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Arizonaco Limited

Balance Sheet As at 30 June 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	7	<u>15,943,320</u>	<u>15,943,320</u>
Current assets			
Debtors		5	5
Cash at bank and in hand		10,171	10,171
Creditors: amounts falling due within one year	9	(4,032,898)	(32,898)
Net current liabilities		<u>(4,022,722)</u>	<u>(22,722)</u>
Total assets less current liabilities		<u>11,920,598</u>	<u>15,920,598</u>
Capital and reserves			
Called up share capital	10	705,100	705,100
Share premium account		917,450	917,450
Profit and loss account		<u>10,298,048</u>	<u>14,298,048</u>
Total equity		<u>11,920,598</u>	<u>15,920,598</u>

The financial statements on pages 10 to 16 were approved by the board of directors and authorised for issue on 19 June 2020 and are signed on its behalf by:



.....
D. Carling
Director

.....
Company Registration No: 07729569

Arizonaco Limited

Statement of changes in equity For the year ended 30 June 2019

	Note	Called up Share Capital £	Share premium account £	Profit and loss account £	Total equity £
Balance at 1 July 2017		705,100	917,450	14,298,068	15,920,618
Profit and total comprehensive income for the financial year		-	-	(20)	(20)
Balance at 30 June 2018		705,100	917,450	14,298,048	15,920,598
Balance at 1 July 2018		705,100	917,450	14,298,048	15,920,598
Total comprehensive income		-	-	8,200,000	8,200,000
Dividend paid	6	-	-	(12,200,000)	(12,200,000)
Balance at 30 June 2019		705,100	917,450	10,298,048	11,920,598

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019

1. Accounting policies

Company information

Arizonaco Limited is a company limited by shares incorporated in England and Wales. The registered office is Shire house, Humboldt Street, Bradford BD1 5HQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable to the UK and Republic of Ireland" (FRS102) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below and are applied consistently.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The company is a wholly owned subsidiary of Corporate Travel Management (UK) Limited and of its ultimate parent. It is included in the consolidated financial statements of Corporate Travel Management Limited which are publically available. Consequently the company is a qualifying entity as per FRS 102 and has taken the advantage of the disclosure exemptions of FRS 102, Section 1, paragraph 1.12(a) reconciliation of the number of share outstanding at the beginning and end of the period, 1.12(b) statement of cash flows, 1.12(c) financial instruments, 1.12(d) certain share based payment disclosures and 1.12(e) key management compensation in total.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the letter of support.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019 (continued)

1. Accounting policies (continued)

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019 (continued)

1. Accounting policies (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2. Judgements and key sources of estimation uncertainty

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.

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019 (continued)

3. Employees

The company has no employees other than the directors. There were no emoluments paid by the Company to, or in respect of, directors for their services during the year (2018: £nil).

4. Income from shares in group undertakings

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Income from shares in group undertakings	<u>8,200,000</u>	<u>-</u>

5. Tax on profit/(loss)

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Current tax:		
UK Corporation tax on loss / profit for the year	-	-
Adjustment from prior period	-	(25)
	<u>-</u>	<u>(25)</u>

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

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Profit/(loss) before taxation	<u>8,200,000</u>	<u>(45)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2018:19%)	1,558,000	-
Prior year adjustment	-	(25)
Dividend income	(1,558,000)	-
Expenses not deductible for tax purposes	-	-
	<u>-</u>	<u>(25)</u>

The tax rate for the current year remains the same as the prior year, the UK corporation tax rate, decreased from 20% to 19% from 1 April 2017.

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019 (continued)

6. Dividends

	2019 per share	2018 per share	2019 £	2018 £
Dividends on ordinary shares				
Paid dividend	£ 17.30	£ -	12,200,000	-
	<u>£ 17.30</u>	<u>£ -</u>	<u>12,200,000</u>	<u>-</u>

7. Investments

	2019 £	2018 £
Investments in subsidiaries	<u>15,943,320</u>	<u>15,943,320</u>
Movements investments		Shares in group undertakings £
Cost or valuation		
As at 1 July 2018 & 30 June 2019		<u>15,943,320</u>
Carrying amount		
As at 30 June 2019		<u>15,943,320</u>
As at 30 June 2018		<u>15,943,320</u>

The directors believe that the carrying value of the investment is supported by the underlying net assets and results of the group.

8. Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
A.I.T. Travel Limited	Dormant	Ordinary	100
Alpha-Omega (Travel) Limited	Dormant	Ordinary	100
Corporate Travel Management (North) Limited	Travel agent	Ordinary	100

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019 (continued)

Alpha-Omega (Travel) Limited is a wholly owned subsidiary of A.I.T. Travel Limited. Corporate Travel Management (North) Limited is a wholly owned subsidiary of Alpha-Omega (Travel) Limited. The registered office of all of the entities is Shire house, Humboldt Street, Bradford BD1 5HQ.

9. Creditors : amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	<u>4,032,898</u>	<u>32,898</u>
	<u>4,032,898</u>	<u>32,898</u>

Amounts due to group undertakings are unsecured, carry interest between 0% and 2.98% (2018: between 0% and 2.98%), have no fixed date of repayment and are repayable on demand.

10. Called up share capital

Ordinary share capital

	2019	2018
	£	£
Issued and fully paid		
A Ordinary shares of £1 each	100	100
C Non voting shares of £1 each	<u>705,000</u>	<u>705,000</u>
	<u>705,100</u>	<u>705,100</u>

11. Controlling party

The immediate parent undertaking of the company is Corporate Travel Management (UK) Limited, incorporated in England and Wales, whose registered office One Carter Lane, London, United Kingdom, 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.

Arizonaco Limited

Notes to the financial statements For the year ended 30 June 2019 (continued)

12. 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.