

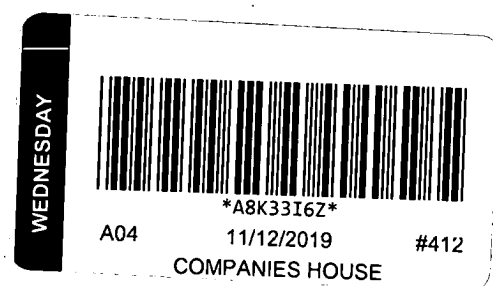
# **Travel By Amber Road Limited**

Annual Report and Financial Statements

Year Ended

31 March 2019

Company Number 10843465



# **Travel By Amber Road Limited**

## **Company Information**

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<b>Directors</b>	M Deering J A McEwan J Mortimer C R Wratten
<b>Company secretary</b>	J Mortimer
<b>Registered number</b>	10843465
<b>Registered office</b>	7th Floor 111 Piccadilly Manchester M1 2HY
<b>Bankers</b>	Lloyds Bank PLC 6-7 Park Row Leeds LS1 1NX

# **Travel By Amber Road Limited**

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# Travel By Amber Road Limited

## Group Strategic Report For the Year Ended 31 March 2019

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### Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 March 2019. The prior period accounts are for the period from incorporation 30 June 2017 to 31 March 2018.

### Principal activities, business review and future developments

The principal activity of the Group is that of travel management company, providing services primarily to the corporate sector covering all aspects of business travel and accommodation.

Key performance indicators used by management to monitor the performance of the business are as follows:

	2019	2018
Total Transaction Value	£69,735,399	£53,908,583
Operating profit/(loss) margin (based on TTV)	0.1%	(0.1)%

2018/19 was a further year of significant disruption in the corporate travel sector with continued evolution of the distribution of air content. Pressure on gross margin remained intense but the business maintained its strategic focus on margin improvement on its core offering as well as working to increase ancillary sales. As a result of the challenging market conditions the business achieved a Total Transaction Value (TTV) of £70m. The business remained vigilant on cost management as a result of the challenging conditions which helped to contribute to an EBITDA of £264k.

As in previous years securing new business remained challenging and in addition, we experienced an extension of time new clients were taking to onboard once they had agreed to trade. New business was constant throughout the year although not at the levels we had seen in the previous year. Retention of existing clients this year was challenging, as in the tougher economic climate we saw companies choosing to globalise their travel spend and clients seeking cost saving opportunities through competitive market testing.

Amber Road continued its technology transformation and as reported last year undertook the move from Sabre to Travelport as our GDS partner which allowed us to take advantage of its market leading sales tools. This year saw the launch of our NDC enabled on line booking tool PLANNET which saw excellent client take up and feedback. The launch of this product also allowed us to improve our peripheral technology including automating client profiles via Umbrella and the launch of Freshdesk within the business.

The business continued to focus on Governance and maintained all our ISO accreditations and saw the successful implementation of the new GDPR rules.

The key project during this year was the re-branding of CTI to Amber Road which cemented our strategy to create a fresh, new and contemporary brand to represent the needs of the next generation of business travellers whilst recognising our significant history. The brand and vision were well received by both clients and suppliers alike.

### Summary

2018/19 saw another year of challenges for the business as the speed of change within the industry displayed no signs of abating. However, the business remained focussed, agile and ready to adapt to these difficult conditions to ensure the business maintained a satisfactory performance.

On behalf of the board I would like to thank the entire Amber Road team for their ongoing commitment, loyalty and dedication to driving Amber Road to be a market leading player within its sector.

# Travel By Amber Road Limited

## Group Strategic Report (continued) For the Year Ended 31 March 2019

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### Principal risks and uncertainties

#### **Market Risk**

The business travel market continues to be affected by the economic downturn and as a result the market place continues to be competitive. Amber Road are well placed to offer customers a realistic pricing model whilst maintaining the levels of customer service that customers have enjoyed for many years; supporting customers through their business growth and supporting the cost management initiatives is a key priority.

#### **Liquidity Risk**

The business cash flow management has a renewed focus following the appointment of a dedicated Treasury Manager. A weekly cash flow forecast is produced providing visibility of the business cashflow requirements for the following 13 week period.

#### **Credit Risk**

The Group's principal financial assets are bank balances and cash along with other receivables.

The Group's credit risk is directly attributable to its trade receivables. The Group does not have a significant concentration of credit risk, exposure is spread across a wide and diverse portfolio of customers. The Statement of Financial Position contains net allowances for any doubtful debts at the period end.

The Board review and agree the policies for managing these on a regular basis during the monthly board meetings.


#### **Going Concern**

In considering the appropriateness of the going concern basis of preparation, the Directors have considered forecasts for a period of at least twelve months from approval of these accounts which include detailed cash flow forecasts and working capital availability. These forecasts indicate that there are sufficient resources available to the business to meet its needs.

The Directors are however seeking a sale of the Group and expect a deal to be completed shortly after the approval of these accounts. Whilst the Directors have made enquiries of the expected purchaser around the plans for the Group there is no certainty as to the future funding plans following a change in ownership and they do not have complete visibility of the funding arrangements within the purchasing group. Facilities similar to those currently in place would need to be put in place for the Group following the sale of the Group in order for it to continue as a going concern.

Based on the above factors the Directors have prepared the financial statements on the going concern basis. However these events and conditions represent a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

This report was approved by the board on 12 September 2019 and signed on its behalf.



**J Mortimer**  
Director

# Travel By Amber Road Limited

## Directors' Report For the Year Ended 31 March 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

The company changed its name from Vive Travel Limited to Travel By Amber Road Limited on 31 August 2018.

### Results and dividends

The loss for the year, after taxation, amounted to £161,658 (2018 - loss £142,881).

The directors do not propose the payment of any dividends.

### Directors

The directors who served during the year were:

M Deering  
J A McEwan (appointed 3 August 2018)  
J Mortimer (appointed 16 January 2019)  
C R Wratten  
V Godliman (resigned 16 January 2019)

### Matters covered in the strategic report

The principal activities, business review, future developments and risks are included in the Strategic Report.

### Disclosure of information to auditor

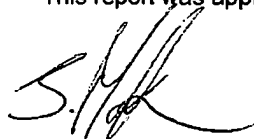
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 September 2019 and signed on its behalf.



J Mortimer  
Director

# **Travel By Amber Road Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 March 2019**

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The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Travel By Amber Road Limited**

## **Independent Auditor's Report to the Members of Travel By Amber Road Limited**

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### **Opinion**

We have audited the financial statements of Travel By Amber Road Limited (formerly Vive Travel Limited) ("the parent company") and its subsidiaries ("the group") for the year ended 31 March 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### **Basis for opinion**

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

### **Material uncertainty in relation to going concern**

We draw attention to note 2.4 in the financial statements which indicates that the Group is reliant on the continuing availability of funding facilities to enable it to continue as a going concern and these need to be akin to its current facilities in the event of an anticipated purchase of the Group in the near future. As stated in note 2.4, these events or conditions, along with the other matters as set forth in note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **Travel By Amber Road Limited**

## **Independent Auditor's Report to the Members of Travel By Amber Road Limited (continued)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

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

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

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

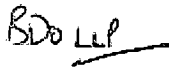
# Travel By Amber Road Limited

## Independent Auditor's Report to the Members of Travel By Amber Road Limited (continued)

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### 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.



**Paul Davies** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds  
United Kingdom  
12 September 2019

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

# Travel By Amber Road Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 31 March 2019

		31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
	Note		
Turnover	4	6,484,312	4,973,518
<b>Gross profit</b>		<b>6,484,312</b>	<b>4,973,518</b>
Administrative expenses - re-occurring		(6,382,269)	(4,900,575)
Administrative expenses - non re-occurring	5	(2,529)	(111,535)
<b>Operating profit/(loss)</b>	5	<b>99,514</b>	<b>(38,592)</b>
Interest receivable and similar income		11	-
Interest payable and expenses	9	(214,087)	(245,811)
<b>Loss before taxation</b>		<b>(114,562)</b>	<b>(284,403)</b>
Tax on loss	10	(47,096)	141,522
<b>Loss for the financial year</b>		<b>(161,658)</b>	<b>(142,881)</b>
<b>(Loss) for the year attributable to:</b>			
Owners of the parent Company		(161,658)	(142,881)

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 14 to 33 form part of these financial statements.

**Travel By Amber Road Limited**  
Registered number: 10843465

**Consolidated Statement of Financial Position**  
**As at 31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	11	44,476	58,223
Tangible assets	12	162,512	255,943
		<u>206,988</u>	<u>314,166</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	4,361,648	4,480,713
Cash at bank and in hand		1,766,154	2,099,365
		<u>6,127,802</u>	<u>6,580,078</u>
Creditors: amounts falling due within one year	15	(6,494,324)	(6,856,359)
<b>Net current liabilities</b>		<u>(366,522)</u>	<u>(276,281)</u>
<b>Total assets less current liabilities</b>		<u>(159,534)</u>	<u>37,885</u>
<b>Provisions for liabilities</b>			
Other provisions	18	(144,480)	(180,241)
<b>Net liabilities</b>		<u>(304,014)</u>	<u>(142,356)</u>
<b>Capital and reserves</b>			
Called up share capital	19	525	525
Profit and loss account	20	(304,539)	(142,881)
<b>Equity attributable to owners of the parent Company</b>		<u>(304,014)</u>	<u>(142,356)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 September 2019



**J Mortimer**  
Director

The notes on pages 14 to 33 form part of these financial statements.

**Travel By Amber Road Limited**  
Registered number: 10843465

**Company Statement of Financial Position**  
**As at 31 March 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	13	-	903,555
		<u>-</u>	<u>903,555</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	288,745	102,818
		<u>288,745</u>	<u>102,818</u>
Creditors: amounts falling due within one year	15	(1,903,836)	(1,242,075)
<b>Net current liabilities</b>		<u>(1,615,091)</u>	<u>(1,139,257)</u>
<b>Total assets less current liabilities</b>		<u>(1,615,091)</u>	<u>(235,702)</u>
<b>Net liabilities</b>		<u>(1,615,091)</u>	<u>(235,702)</u>
<b>Capital and reserves</b>			
Called up share capital	19	525	525
Profit and loss account brought forward		(236,227)	-
Loss for the year		(1,379,389)	(236,227)
<b>Profit and loss account carried forward</b>		<u>(1,615,616)</u>	<u>(236,227)</u>
		<u>(1,615,091)</u>	<u>(235,702)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
12 September 2019

  
J Mortimer  
Director

The notes on pages 14 to 33 form part of these financial statements.

## Travel By Amber Road Limited

### Consolidated Statement of Changes in Equity For the Year Ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	525	(142,881)	(142,356)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(161,658)	(161,658)
<b>Total comprehensive income for the year</b>	-	(161,658)	(161,658)
<b>At 31 March 2019</b>	<b>525</b>	<b>(304,539)</b>	<b>(304,014)</b>

### Consolidated Statement of Changes in Equity For the Period Ended 31 March 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>Comprehensive income for the period</b>			
Loss for the period	-	(142,881)	(142,881)
<b>Total comprehensive income for the period</b>	-	(142,881)	(142,881)
Shares issued during the period	525	-	525
<b>Total transactions with owners</b>	<b>525</b>	<b>-</b>	<b>525</b>
<b>At 31 March 2018</b>	<b>525</b>	<b>(142,881)</b>	<b>(142,356)</b>

The notes on pages 14 to 33 form part of these financial statements.

## Travel By Amber Road Limited

### Company Statement of Changes in Equity For the Year Ended 31 March 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	525	(236,227)	(235,702)
<b>Comprehensive income for the period</b>			
Loss for the year	-	(1,379,389)	(1,379,389)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 March 2019</b>	<b>525</b>	<b>(1,615,616)</b>	<b>(1,615,091)</b>

### Company Statement of Changes in Equity For the Period Ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total equity £
<b>Comprehensive income for the period</b>			
Loss for the period	-	(236,227)	(236,227)
<b>Total comprehensive income for the period</b>	-	(236,227)	(236,227)
<b>Contributions by and distributions to owners</b>			
Shares issued during the period	525	-	525
<b>Total transactions with owners</b>	525	-	525
<b>At 31 March 2018</b>	<b>525</b>	<b>(236,227)</b>	<b>(235,702)</b>

The notes on pages 14 to 33 form part of these financial statements.

# Travel By Amber Road Limited

## Consolidated Statement of Cash Flows For the Year Ended 31 March 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Loss for the financial year		(161,658)	(142,881)
<b>Adjustments for:</b>			
Amortisation of intangible assets	11	13,747	10,514
Depreciation of tangible assets	12	151,215	172,868
Interest paid	9	214,087	245,811
Interest received		(11)	-
Taxation charge	10	47,096	(141,522)
Decrease in debtors		71,980	1,991,668
(Decrease)/increase in creditors		(408,133)	822,663
(Decrease)/increase in provisions	18	(35,761)	15,911
<b>Net cash generated from operating activities</b>		<b>(107,438)</b>	<b>2,975,032</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	12	(57,784)	(43,474)
Purchase of subsidiaries		-	(2,686,907)
Interest received		11	-
<b>Net cash from investing activities</b>		<b>(57,773)</b>	<b>(2,730,381)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares		-	525
Drawdown of loan		-	2,100,000
Interest paid		(168,000)	(133,882)
Finance issue costs incurred		-	(111,929)
<b>Net cash used in financing activities</b>		<b>(168,000)</b>	<b>1,854,714</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(333,211)</b>	<b>2,099,365</b>
Cash and cash equivalents at beginning of year		2,099,365	-
<b>Cash and cash equivalents at the end of year</b>		<b>1,766,154</b>	<b>2,099,365</b>
<b>Cash and cash equivalents at the end of year comprise:</b>			
Cash at bank and in hand		1,766,154	2,099,365
		<b>1,766,154</b>	<b>2,099,365</b>

The notes on pages 14 to 33 form part of these financial statements.



# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 1. General information

Vive Travel Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given in the Company Information page and its principal activities are outlined in the Strategic Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

#### 2.2 Parent company reduced disclosure exemptions

In preparing the financial statements of the parent company, advantage has been taken of the following disclosure exemptions under FRS 102:

- No cash flow statement has been prepared for the parent company.
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the total for the group as a whole.

#### 2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# **Travel By Amber Road Limited**

## **Notes to the Financial Statements For the Year Ended 31 March 2019**

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### **2. Accounting policies (continued)**

#### **2.4 Going concern**

In considering the appropriateness of the going concern basis of preparation, the Directors have considered forecasts for a period of at least twelve months from approval of these accounts which include detailed cash flow forecasts and working capital availability. These forecasts indicate that there are sufficient resources available to the business to meet its needs.

The Directors are however seeking a sale of the Group and expect a deal to be completed shortly after the approval of these accounts. Whilst the Directors have made enquiries of the expected purchaser around the plans for the Group there is no certainty as to the future funding plans following a change in ownership and they do not have complete visibility of the funding arrangements within the purchasing group. Facilities similar to those currently in place would need to be put in place for the Group following the sale of the Group in order for it to continue as a going concern.

Based on the above factors the Directors have prepared the financial statements on the going concern basis. However these events and conditions represent a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### **2.5 Revenue**

Turnover for Amber Road Travel Limited comprises revenue recognised by the company in respect of fees earned on services supplied during the year, exclusive of Value Added Tax and trade discounts. Where the company supplies booking services it does so as an agent of the customer and hence recognises associated revenue on a net basis. Revenue is recognised at the point of booking, which coincides with performance delivery.

Turnover for Amber Road Hotels Limited comprises revenue recognised by the company in respect of commission earned on services supplied during the period, exclusive of value added tax and trade discounts. Where the company supplies booking services it does so as an agent of the customer and hence recognises associated revenue on a net basis. The associated trade debtors and creditors are also recognised on a net basis in line with the risks and rewards borne by the company. Revenue is recognised on the date of stay by the customer to coincide with when commission is payable.

All turnover is derived from the principal activities of the group, that of a travel management and hotel booking company.

#### **2.6 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

#### **2.7 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

#### **2.8 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 2. Accounting policies (continued)

#### 2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

#### 2.10 Intangible assets

Goodwill arising on the acquisition of the subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 5 years. Provision is made for any impairment with testing on the carrying value of goodwill being undertaken:

#### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to Leasehold Property	- Over the remaining life of the lease
Fixtures and Fittings	- 10% - 33% straight line
Computer equipment and Software	- 20% - 50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

# **Travel By Amber Road Limited**

## **Notes to the Financial Statements For the Year Ended 31 March 2019**

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### **2. Accounting policies (continued)**

#### **2.12 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### **2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Some finance costs relating to these investments have been capitalised.

#### **2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

# **Travel By Amber Road Limited**

## **Notes to the Financial Statements For the Year Ended 31 March 2019**

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### **2. Accounting policies (continued)**

#### **2.16 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

#### **2.17 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# **Travel By Amber Road Limited**

## **Notes to the Financial Statements For the Year Ended 31 March 2019**

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### **2. Accounting policies (continued)**

#### **2.18 Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

#### **2.19 Pensions**

##### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### **2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 2. Accounting policies (continued)

#### 2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements and estimates:

*Revenue recognition and accrued income (see note 4 and 14)*

The commissions earned by the group are often based on booking volumes during a period and therefore at the year end the company makes judgements regarding expected booking volumes in order to arrive at a best estimate of the commissions that have been earned but not invoiced. That income is recognised in the Statement of Financial Position.

*Goodwill and investments (see notes 11 and 13)*

Determine whether there are indicators of impairment of the groups' goodwill or company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

*Tangible fixed assets (see note 12)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

*Provision for lease costs (see note 18)*

The group estimates those costs that will become payable at the end of its property leases in meeting obligations in respect of lease dilapidations and property repairs. Those costs are recognised in the Statement of Financial Position at the point the obligation arises.

### 4. Turnover

The group companies operate as agents and therefore disclose turnover on a net basis. The gross transaction value of ticket sales, hotel bookings and other income is £69,735,399 (2018 - £53,908,583).

There is no significant overseas turnover in the group.



# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 5. Operating loss

The operating loss is stated after charging:

	31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
Depreciation of tangible fixed assets	151,215	172,868
Amortisation of intangible assets, including goodwill	13,747	10,514
Non re-occurring administrative expenses	2,529	111,535
Exchange differences	4,421	1,309
Other operating lease rentals	312,980	195,437
Defined contribution pension cost	112,052	66,739

Non re-occurring administrative expenses incurred in the period to 31 March 2019 are in relation to redundancy, legal advice and a release of the dilapidations provision of £30,500. In the prior year, the costs related to redundancy costs and restructuring of the Group.

### 6. Auditor's remuneration

	31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	41,070	41,400
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	7,995	7,715
All other services	7,670	7,400
	15,665	15,115

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	3,514,357	2,692,173	37,516	32,785
Social security costs	320,826	248,376	6,180	4,224
Cost of defined contribution scheme	112,052	66,739	2,579	1,746
	<u>3,947,235</u>	<u>3,007,288</u>	<u>46,275</u>	<u>38,755</u>

The average monthly number of employees, including the directors, during the period was as follows:

	31 March 2019	Period from 30 June 2017 to 31 March 2018
Employees	<u>122</u>	<u>134</u>

The Company has no employees other than the directors.

### 8. Directors' remuneration

	31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
Directors' emoluments	280,362	185,750
Company contributions to defined contribution pension schemes	17,780	9,825
	<u>298,142</u>	<u>195,575</u>

During the year retirement benefits were accruing to 3 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £146,500. The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,100.

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 9. Interest payable and similar expenses

	31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
Bank interest payable	168,000	133,882
Amortisation of debt issue costs	46,087	111,929
	<u>214,087</u>	<u>245,811</u>

### 10. Taxation

	31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	30,073	(141,522)
Adjustments in respect of previous periods	17,023	-
Total deferred tax	<u>47,096</u>	<u>(141,522)</u>
Taxation on profit/(loss) on ordinary activities	<u>47,096</u>	<u>(141,522)</u>

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 10. Taxation (continued)

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	31 March 2019 £	Period from 30 June 2017 to 31 March 2018 £
Loss on ordinary activities before tax	<b>(114,562)</b>	<b>(284,403)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>(21,767)</b>	<b>(54,037)</b>
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	<b>2,612</b>	<b>2,024</b>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>17,000</b>	<b>9,768</b>
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>-</b>	<b>(3,997)</b>
Deferred tax not recognised	<b>57,935</b>	<b>5,882</b>
Other differences leading to an increase (decrease) in the tax charge	<b>(25,707)</b>	<b>(99,925)</b>
Group relief	<b>-</b>	<b>(1,237)</b>
Adjustments in respect of previous periods - deferred tax	<b>17,023</b>	<b>-</b>
Total tax charge for the year/period	<b>47,096</b>	<b>(141,522)</b>

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 10. Taxation (continued)

#### Factors that may affect future tax charges

The group had trade losses to carry forward of £304,921 (2018 - £169,198). The group has not recognised a full deferred tax asset as their future recoverability is uncertain.

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015-16 on 26 October 2015, reducing the effective tax rate from 20% to 19% from April 2017, with a further reduction to 17% from April 2020. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

### 11. Intangible assets

#### Group

	Goodwill £
Cost	
At 1 April 2018	68,737
At 31 March 2019	68,737
Amortisation	
At 1 April 2018	10,514
Charge for the year	13,747
At 31 March 2019	24,261
Net book value	
At 31 March 2019	44,476
At 31 March 2018	58,223

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 12. Tangible fixed assets

#### Group

	Improvements to Leasehold Property £	Fixtures & Fittings and Computer equipment £	Software £	Total £
Cost				
At 1 April 2018	195,973	181,022	51,816	428,811
Additions	-	2,647	55,137	57,784
Disposals	(8,001)	-	-	(8,001)
At 31 March 2019	187,972	183,669	106,953	478,594
Depreciation				
At 1 April 2018	52,149	119,138	1,581	172,868
Charge for the year on owned assets	67,758	33,062	50,395	151,215
Disposals	(8,001)	-	-	(8,001)
At 31 March 2019	111,906	152,200	51,976	316,082
Net book value				
At 31 March 2019	76,066	31,469	54,977	162,512
At 31 March 2018	143,824	61,884	50,235	255,943

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 13. Fixed asset Investments

#### Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	903,555
At 31 March 2019	903,555
Impairment	
Charge for the period	903,555
At 31 March 2019	903,555
Net book value	
At 31 March 2019	-
At 31 March 2018	903,555

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Amber Road Hotels Limited	Ordinary	100%	Hotel booking agency
Amber Road Travel Limited	Ordinary	100%	Corporate travel management

The registered office of all of the above subsidiaries is 7th Floor, 111 Piccadilly, Manchester, M1 2HY.

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	3,682,043	3,709,271	-	-
Amounts owed by group undertakings	-	-	144,356	-
Other debtors	374,046	145,774	144,389	96,936
Prepayments and accrued income	211,133	484,146	-	-
Deferred taxation	94,426	141,522	-	5,882
	<b>4,361,648</b>	<b>4,480,713</b>	<b>288,745</b>	<b>102,818</b>

Trade debtors include commissions due to the Company in respect of the supply of booking services. This does not represent the gross value of room bookings, since the Company is supplying booking services only as an agent and therefore the cost of the room bookings, whilst being processed through the Company's accounting records, are due from the customer to the supplier. The Company does not have a liability for the cost of bookings.

### 15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other loans	2,100,000	2,100,000	1,147,576	1,147,576
Other loan debt issue costs	-	(46,087)	-	(46,087)
Trade creditors	3,332,012	4,067,181	98	3,887
Amounts owed to group undertakings	-	-	686,426	110,266
Other taxation and social security	499,837	133,756	2,500	-
Other creditors	210,603	72,824	3,750	543
Accruals	351,872	528,685	63,486	25,890
	<b>6,494,324</b>	<b>6,856,359</b>	<b>1,903,836</b>	<b>1,242,075</b>

The other loans are secured by a group cross guarantee.



# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 16. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>5,697,585</u>	<u>5,954,409</u>	<u>164,096</u>	<u>96,935</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(5,993,437)</u>	<u>(6,768,689)</u>	<u>(1,214,909)</u>	<u>(1,177,896)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise loan notes, trade and other creditors and accruals.

### 17. Deferred taxation

#### Group

	2019 £
At beginning of year	141,522
Charged to profit or loss	<u>(47,096)</u>
At end of year	<u>94,426</u>

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 17. Deferred taxation (continued)

#### Company

	2019 £
At beginning of year	5,882
Charged to profit or loss	(5,882)
At end of year	-

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	58,383	82,021	-	-
Tax losses carried forward	-	5,882	-	5,882
Other timing differences	36,043	53,619	-	-
	<u>94,426</u>	<u>141,522</u>	<u>-</u>	<u>5,882</u>

### 18. Provisions

#### Group

	Leasehold dilapidations £
At 1 April 2018	180,241
Credited to profit or loss	(30,500)
Utilised in year	(5,261)
At 31 March 2019	<u>144,480</u>

### 19. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
525 (2018 - 525) Ordinary shares of £1.00 each	<u>525</u>	<u>525</u>

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 20. Reserves

#### Share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### 21. Contingent liabilities

The Group had contingent liabilities in respect of bonds to ATOL amounting to £Nil (2018 - £100,000).

### 22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £112,052 (2018 - £64,992). Contributions totalling £14,472 (2018 - £9,369) were payable to the fund at the Statement of Financial Position date and are included in creditors.

### 23. Commitments under operating leases

At 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	148,677	240,871
Later than 1 year and not later than 5 years	199,320	88,609
	<u>347,997</u>	<u>329,480</u>

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

# Travel By Amber Road Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 24. Related party transactions

The Company has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with wholly owned subsidiary group members due to consolidated accounts being publicly available.

During the year the company had the following transactions with Endless IV (GP) LP, the ultimate controlling party of the Group.

	Sales £	Purchases £	Period end loan balance £	Interest payable £
2018	70,714	543,531	2,100,000	116,953
2019	<u>128,097</u>	<u>123,132</u>	<u>2,100,000</u>	<u>168,000</u>

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £335,434 (2018 - £218,468).

### 25. Controlling party

The ultimate controlling party is Endless IV (GP) LP.