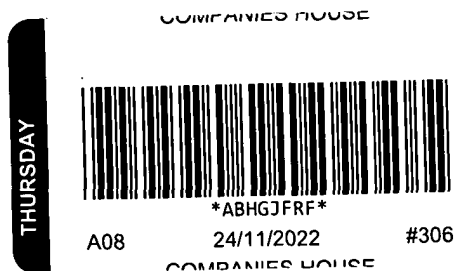


cxLoyalty Travel Services UK Limited
(Registered Number: 13278852)

Annual report for the period ended 31 December 2021



cxLoyalty Travel Services UK Limited
Annual report for the period ended 31 December 2021

Contents	Page(s)
Directors' report	1 - 3
Independent auditors' report	4 - 6
Income statement	7
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 15

cxLoyalty Travel Services UK Limited

Directors' report

The directors present their annual report and the audited financial statements of cxLoyalty Travel Services UK Limited (the "Company") for the period ended 31 December 2021. The Company is part of JPMorgan Chase & Co. (together with its subsidiaries, the "Firm" or "JPMorgan Chase"). The registered number of the Company is 13278852.

Results and dividends

Income Statement:

The results for the period are set out on page 7 and show the Company's profit for the financial period is £58,270. The Company's profit is mainly driven by the reimbursement of the Company's expenses via a cost plus transfer pricing arrangement, from another JPMorgan Chase undertaking for which the Company provides services to its client.

No dividend was paid or proposed during the period.

Balance sheet:

The balance sheet is set out on page 8. The Company has total assets and total liabilities of £933,895 and £154,696 respectively as at 31 December 2021.

Future outlook

The Company's outlook for the full 2022 year should be viewed against the backdrop of the global economy, financial markets activity, the geopolitical environment, the competitive environment, client activity levels and regulatory and legislative developments in the countries where the Company does business. Each of these inter-related factors will affect the performance of the Company and its line of business ("LOB").

Ukraine-Russia crisis

The Company has assessed the potential broader impacts of the Russian invasion of Ukraine and related sanctions on the global economy, financial markets, and specific industry and economic sectors, including potential recessionary and inflationary pressures and implications for global energy markets and supply chains.

The Firm has engaged with regulators and industry groups to analyse and implement procedures to comply with financial and economic sanctions imposed on Russian entities and individuals in line with applicable sanctions.

The Firm is also focused on risks related to the increased potential for cyber-attacks that may be conducted in retaliation for the sanctions imposed on Russia, and has instituted additional precautionary measures to address these risks and procedures to expedite the remediation of any high risk vulnerabilities as they are identified.

The Company supports employees who have been affected by the Ukraine-Russia crisis.

COVID-19

The Company monitors the Coronavirus Disease 2019 ("COVID-19"), based on the guidance being provided by the relevant health and government authorities, and continues to implement protocols and processes in response to the spread of the virus. The Company does not currently anticipate a significant reduction in its capital and liquidity positions over the coming year as a result of COVID-19.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Firm and are not managed separately. The directors do not consider that the Company is exposed to significant financial risks. Further details on the financial risks of the Company are set out in note 14 to the financial statements.

Directors

The directors of the Company who served during the period and up to the date of signing the financial statements were as follows:

Leslie Wims Morris
Todd H Siegel

Directors' interest

None of the directors have any beneficial interest in the Company. The Company is a subsidiary of a Company incorporated outside England and Wales. The ultimate holding Company is a body corporate incorporated outside England and Wales. The directors are not required to notify the Company of any interests in shares of that or any other body incorporated outside England and Wales.

cxLoyalty Travel Services UK Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

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

The directors are 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Qualifying third party indemnity provision

An indemnity is provided to the directors of the Company under the By-laws of JPMorgan Chase & Co. against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity was in force during the financial period and also at the date of approval of the financial statements. A copy of the by-laws of JPMorgan Chase & Co. is available at the registered office address of the Company.

Company secretary

The secretary of the Company who served during the period was as follows:

J.P. Morgan Secretaries (UK) Limited

Registered address

25 Bank Street
Canary Wharf
London E14 5JP
England

cxLoyalty Travel Services UK Limited

Directors' report (continued)

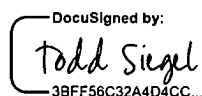
Independent auditors

PricewaterhouseCoopers LLP, were appointed as independent auditors during the period.

Strategic report exemption

No strategic report has been presented as permitted by section 414B (a) of the Companies Act, 2006.

On behalf of the Board

DocuSigned by:

3BFF56C32A4D4CC...

Name: Todd H. Siegel

Director

Date: 21 November 2022

Independent auditors' report to the members of cxLoyalty Travel Services UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, cxLoyalty Travel Services UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period from 19 March 2021 to 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 December 2021; the Income statement, the Statement of comprehensive income and the Statement of changes in equity for the period 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

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.

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

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

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

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 members 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 Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Independent auditors' report to the members of cxLoyalty Travel Services UK Limited (continued)

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the period ended 31 December 2021 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 Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the members 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 members 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 members 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 members 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries with senior management, including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Identifying and testing journal entries, in particular any journal entries posted by senior management; and
- Incorporating unpredictability into the nature, timing and /or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Independent auditors' report to the members of cxLoyalty Travel Services UK Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

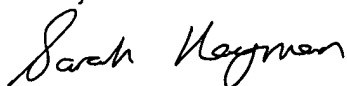
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained 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 members' 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the members were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sarah Hayman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 November 2022

cxLoyalty Travel Services UK Limited

Income statement

Period ended 31 December		2021
	Note	£
Administrative expenses	5	(779,472)
Other operating income	6	857,290
Other expenses		(563)
Operating profit		77,255
Profit before taxation	8	77,255
Tax on profit	8	(18,985)
Profit for the financial period		58,270

Statement of comprehensive income

There were no other items of comprehensive income or expense other than the profit for the financial period shown above. As a result, profit for the financial period represents total comprehensive income respectively in the current financial period.

The notes on pages 10 - 15 form an integral part of these financial statements.

cxLoyalty Travel Services UK Limited

Balance sheet

As at 31 December		2021
	Note	£
Current assets		
Debtors	9	159,179
Cash and cash equivalents	10	774,716
		933,895
Creditors: amounts falling due within one year	11	(154,696)
Net current assets		779,199
Net assets		779,199
Equity		
Called up share capital	13	710,870
Capital redenomination reserve	15	10,059
Retained earnings		58,270
Total equity		779,199

The notes on pages 10 - 15 form an integral part of these financial statements.

The financial statements on pages 7 - 15 were approved by the Board of Directors on 21 November 2022 and signed on its behalf by:

DocuSigned by:

Todd Siegel

3BFF58C32A4D4CC...

Name: Todd H Siegel

Director

Date: 21 November 2022

cxLoyalty Travel Services UK Limited

Statement of changes in equity

	Called up share capital	Capital redemption reserve	Retained earnings	Total Equity
	£	£	£	£
Balance as at 19 March 2021	—	—	—	—
Introduction of Share capital	710,870		—	710,870
Reserve created during the period (Refer note 15)		10,059		10,059
<i>Profit for the financial period</i>	—	—	58,270	58,270
Balance as at 31 December 2021	710,870	10,059	58,270	779,199

The notes on pages 10 - 15 form an integral part of these financial statements.

cxLoyalty Travel Services UK Limited

Notes to the financial statements

1. General information

The Company was incorporated on 19 March 2021. The Company is a private company limited by shares, incorporated and domiciled in England. The Company's immediate parent undertaking is cxLoyalty Global Holdings, Inc. which is incorporated in the state of Delaware in the United States of America. The Company's ultimate parent undertaking and the parent undertaking of the only group in which the results of the Company are consolidated, is JPMorgan Chase & Co. (the "Firm" or "JPMorgan Chase"), which is incorporated in the state of Delaware in the United States of America. The consolidated financial statements of the Firm can be obtained from the Company's registered office at 25 Bank Street, Canary Wharf, London, E14 5JP, England.

Principal activities

The principal activity of the Company is fulfilment and management of loyalty points-based reward programs. The Company has entered into a 'cost plus' transfer pricing arrangement with another JPMorgan Chase undertaking, for which it services a client.

2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"). FRS 101 applies the recognition and measurement requirements of International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS in conformity with the requirements of the Companies Act 2006 have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Comparative information disclosures (paragraph 38 of IAS 1 'Presentation of financial statements' ("IAS 1") for reconciliation of share capital (paragraph 79(a)(iv) of IAS 1);
- Statement of compliance with IFRS - paragraph 16, IAS 1;
- Cash flow statement and related notes, IAS 7 'Cash flow statements';
- Disclosures in relation to new or revised standards issued but not yet effective (paragraph 30 and 31, IAS 8 'Accounting policies, changes in accounting estimates and errors');
- Key management compensation disclosures (paragraph 17, IAS 24 'Related Party Disclosures' ("IAS 24"));
- Related party transactions with wholly owned Firm undertakings (paragraph 18 and 19, IAS 24); and
- Disclosure requirements of IFRS 7 'Financial Instruments: Disclosures'.

3. Critical accounting estimates and judgements

The preparation of financial statements generally requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. Due to the nature of Company's business and balances, no significant accounting estimates or judgements were required in preparation of these financial statements.

4. Significant Accounting policies

The following are the significant accounting policies applied in the preparation of these financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents include cash and balances at banks and loans and advances to banks with maturities of three months or less.

4.2 Current taxation

Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

4.3 Foreign currency translation

Monetary assets and monetary liabilities in foreign currencies are translated into British Pound Sterling ("GBP") at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into GBP at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the income statement.

cxLoyalty Travel Services UK Limited

Notes to the financial statements (continued)

4. Significant Accounting policies (continued)

4.3 Foreign currency translation (continued)

Non-monetary items denominated in foreign currencies that are stated at fair value are translated into GBP at foreign exchange rates ruling at the dates when the fair values were determined. Translation differences arising on non-monetary items measured at fair value are recognised in the income statement.

4.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). GBP is considered as the functional and presentation currency of the Company.

4.5 Operating income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of Services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

4.6 Provisions for liabilities and charges

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

4.7 Dividend recognition

Dividend income is recognised when the right to receive payment is established.

Dividend distributions are recognised in the period in which they are declared and approved.

4.8 Pension

Defined contribution scheme

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays a defined level of contributions. Obligations for contributions to defined contribution pension plans are recognised as an expense and charged to the income statement on an accrual basis.

4.9 Financial instruments

4.9.1 Financial assets and financial liabilities

i. Recognition of financial assets and financial liabilities

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of securities are recognised on the trade-date, which is the date on which the Company commits to purchase or sell an asset.

cxLoyalty Travel Services UK Limited

Notes to the financial statements (continued)

4.9 Financial instruments (continued)

4.9.1 Financial assets and financial liabilities (continued)

ii. Classification and measurement of financial assets and financial liabilities

On initial recognition, financial assets are classified and measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification is based on both the business model for managing the financial assets and their contractual cash flow characteristics. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated

a) *Financial assets and financial liabilities measured at amortised cost*

Financial assets are measured at amortised cost if they are held under a business model with the objective to collect contractual cash flows ("Hold-to-Collect") and they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI"). In making the SPPI assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI. As a result of the application of these criteria, only debt financial assets are eligible to be measured at amortised cost.

Financial assets measured at amortised cost include cash and cash equivalents and debtors that are in the Hold to Collect business model.

Financial liabilities are measured at amortised cost unless they are held for trading or a designated as measured at FVTPL. All of the Company's financial liabilities are measured at amortised cost. Financial liabilities measured at amortised cost include other creditors.

Financial assets and financial liabilities measured at amortised cost are initially recognised at fair value including transaction costs (which are explained below). The initial amount recognised is subsequently reduced for principal repayments and adjusted for accrued interest using the effective interest method (see below). In addition, the carrying amount of financial assets is adjusted by recognising an expected credit loss allowance through the profit or loss.

The effective interest method is used to allocate interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or a shorter period when appropriate, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or financial liability. The calculation of the effective interest rate includes all fees and commissions paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of a financial asset or financial liability.

4.9.2 Non Interest expense

Expenses are recognised when the underlying contract becomes legally binding or at the agreed due date if later.

cxLoyalty Travel Services UK Limited

Notes to the financial statements (continued)

5. Administrative expenses

	2021
	£
Staff costs	733,752
Auditors' remuneration for audit of financial statements	42,000

6. Other operating income/(expense)

	2021
	£
Other operating income (transfer price)	879,958
Other income/(expense):	
Foreign exchange loss	(22,668)
	857,290

Other operating income includes fee attribution from another JPMorgan Chase undertaking under a cost plus transfer pricing arrangement.

7. Directors' emoluments and staff costs

Directors' emoluments

	2021
	£
Aggregate emoluments	55,275
Total contributions to a defined contribution pension plan	—
Total value of LTIPS (including deferred cash) for all directors	3,458
Number of directors with shares received or receivable under LTIPS	1
Number of directors to whom defined contribution pension rights accrued	—

In accordance with the Companies Act 2006, the directors emoluments above represent the proportion paid or payable in respect of qualifying services to the Company including LTIPS. Directors also received emoluments for non-qualifying services, which are not required to be disclosed.

Highest paid director

The emoluments of the highest paid director is under £200,000 which is not required to be disclosed under the requirements of the Companies Act 2006.

The directors are employees of other JPMorgan Chase undertaking and all expenses, including remuneration, are paid by those companies and not recharged.

Staff costs

The average monthly number of persons providing services to the Company during the period was 20.

The staff costs for the period were:

	2021
	£
Wages and salaries	574,529
Social security costs	61,154
Other pension costs	98,069
	733,752

cxLoyalty Travel Services UK Limited

Notes to the financial statements (continued)

8. Tax on profit/ (loss)

(a) Analysis of tax charge for the period

	<u>2021</u>
	£
Current taxation	
UK Corporation tax on profit for the period	18,985
Total tax charge for the period	18,985

(b) Factors affecting the total tax charge for the current period

The tax charge for the period can be reconciled to the profit per the income statement as follows:

	<u>2021</u>
	£
Profit before taxation	77,255
Profit before taxation multiplied by standard rate of corporation tax in UK 19%	14,678
Effects of:	
Expenses not deductible	4,307
Tax charge for the period	18,985

9. Debtors

	<u>2021</u>
	£
Amounts owed by JPMorgan Chase undertaking	159,179

Amounts owed by JPMorgan Chase undertaking is on account of fee attribution receivable under a cost plus transfer pricing arrangement.

10. Cash and cash equivalents

Bank balances include those held with JPMorgan Chase undertakings of £774,716.

11. Creditors: amounts falling due within one year

	<u>2021</u>
	£
Accruals and deferred income	81,987
Taxation and social security	11,724
Corporation tax	18,985
Other creditors	42,000
	154,696

12. Capital management

Total equity of £779,199 constitutes the managed capital of the Company, which consists of called-up share capital, capital redenomination reserve and retained earnings.

The Directors are responsible for setting the objectives, policies and processes relating to the management of the Company's capital.

The Company is not subject to any externally imposed capital requirements.

cxLoyalty Travel Services UK Limited

Notes to the financial statements (continued)

13. Called up share capital

	<u>2021</u>
	£
Issued and fully paid share capital	
1,000,000 Ordinary shares of £0.71087 each	710,870

The ordinary share capital was re-denominated from United States Dollar ("USD") to British Pound Sterling ("GBP") via written resolution effective 22 September 2021. The shares were re-denominated from 1,000,000 shares of USD 1 each to 1,000,000 shares of GBP 0.71087 each.

14. Financial risk management

The following sections outline the key financial risks that are inherent in the Company's business activities.

Credit risk

Credit risk is the risk associated with the default or change in credit profile of a client, counterparty or customer. Credit risk is managed by the Firm on a global level.

The Company's credit exposures and credit risk mitigants are further described below:

Debtors

Debtors mainly consist of amounts due from JPMorgan Chase undertaking.

The amounts due from JPMorgan Chase undertaking comprises of fees attribution under a cost plus transfer pricing arrangement from another JPMorgan Chase undertaking for which the Company provides services to its client. These receivables generally have minimal credit risk due to the short term nature of receivables.

Cash and cash equivalents

The Company places substantially all of its deposits with banks which are of investment-grade which are considered to have high quality credit with low risk of default.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its contractual and contingent financial obligations as they arise or that it does not have the appropriate amount, composition and tenor of funding and liquidity to support its assets and liabilities.

The Company's unsecured and secured funding capacity is sufficient to meet its balance sheet obligations in the foreseeable future.

15. Post balance sheet event

A written resolution was passed by the shareholders on 16 November 2022 to ratify the foreign exchange rate used to re-denominate the Company's called up share capital from USD to GBP during the year. This resulted in a capital redenomination reserve of £10,059 being created.