Company Registration No. 01094729 (England and Wales)

CAPITA TRAVEL AND EVENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

CAPITA TRAVEL AND EVENTS LIMITED

COMPANY INFORMATION

Directors	J Parkhouse S N Taylor on behalf of Capita Corporate Director Limited L S Sandhu
Secretary	Capita Group Secretary Limited
Company number	01094729
Registered office	65 Gresham Street London United Kingdom EC2V 7NQ
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP

CAPITA TRAVEL AND EVENTS LIMITED

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CAPITA TRAVEL AND EVENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their Strategic Report and financial statements for the year ended 31 December 2020.

Review of the business

Capita Travel and Events Limited (“the Company”) is a wholly owned subsidiary (indirectly held) of Capita plc. Capita plc along with its subsidiaries are hereafter referred to as “the Group”. The Company operates within the Group’s Specialist Services division.

The principal activity of the Company continued to be that of travel agents. There have not been any significant changes in the Company’s principal activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company’s activities in the next year.

As shown in the Company’s income statement on page 10 revenue has decreased from £44,619,818 in 2019 to £13,237,435 and operating profit has decreased from £7,667,387 in 2019 to operating loss of £12,861,542 in 2020. The Company's trading in 2020 was significantly impacted as per the wider economy by the outbreak of the COVID pandemic and the subsequent restrictions that were in place around travel and social distancing. As at the end of 2020, some travel restrictions remain in place in the UK and continue to impact business profitability into 2021 and will represent an ongoing risk to the business in the short term, although to a reduced extent as a result of management actions taken in 2020 to address the business expense base.

The balance sheet on pages 11 - 12 of the financial statements shows the Company's financial position at the year end. Net assets have decreased from £14,865,339 to £4,543,686. Details of amounts owed by/to its parent Company and fellow subsidiary undertakings are shown in notes 13 and 15 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Specialist Services division of Capita plc is discussed in the Group’s annual report which does not form part of this report.

Principal risks and uncertainties

The Company is subject to various risks and uncertainties during the ordinary course of its business many of which result from factors outside of its control. The Company’s risk management framework provides reasonable (but cannot provide absolute) assurance that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

The principal themes of risk for the Company are:

- *Strategic*: changes in economic and market conditions such as contract pricing and competition.
- *Financial*: significant failures in internal systems of control and lack of corporate stability.
- *Operational:* including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance*: non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern and regulate its business.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- Regularly reviewing operating conditions to be able to respond quickly to changes in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to an internal control framework.

Capita plc has also implemented appropriate controls and risk governance techniques across all of its businesses which are discussed in the Group’s annual report which doesn’t part form part of this report.

Section 172 statement

Capita plc's section 172 statement applies to both the Division and the Company to the extent it relates to the Company's activities. Common policies and practices are applied across the Group through divisional management teams and a common governance framework. The following disclosure describes how the Directors have regard to the matters set out in section 172(1a) to (f) and forms the Directors' statement as required under section 414CZA of the Companies Act 2006.

Further details of the Group's approach to each stakeholder are provided in Capita plc's section 172 statement on pages 38 and 39 of Capita plc's 2020 Annual Report.

Stakeholders

Our People	
What matters to them?	Flexible working, learning and development opportunities leading to career progression, fair pay and benefits as a reward for performance, two-way communication, and feedback.
How we engaged?	People surveys, regular all-employee communications.
Topics of Engagement	Protection of employees during Covid-19, human resources policies during Covid-19, future ways of working as a result of Covid-19, and creating an inclusive workplace.
Outcomes and actions	Issue of Capita specific Covid-19 guidance and regular updates, new and temporary human resource policies (eg. furlough and flexible working).
Key Metrics	Employee net promoter score, people survey completion level.
Clients and Customers	
What matters to them?	High-quality service delivery, sustainability, and rapid response to support pandemic planning.
How we engaged?	Client meetings and surveys, regular meetings with key clients and customers.
Topics of Engagement	Remote working on client services as a result of Covid-19, current service delivery, possible future services, and co-creation of client value propositions.
Outcomes and actions	Receipt of regular detailed feedback summaries, application of standard Capita plc policies and procedures which includes the establishment of the Group contract review committee to ensure delivery against contractual obligations.
Key Metrics	Customer net promoter score, specific feedback on client engagements.
Supplier and Partners	
What matters to them?	Payments made within agreed payment terms, clear and fair procurement process, building lasting commercial relationships, and working inclusively with all types of business.
How we engaged?	Supplier meetings throughout the source to procure process, regular reviews with suppliers, and supplier questionnaires.
Topics of Engagement	Supplier payments, sourcing requirements, supplier performance, and the Supplier Charter.
Outcomes and actions	Alignment of payments with agreed terms, supplier feedback on improvements to the procurement process, improvement plans and innovation opportunities, and improved adherence to the Supplier Charter.
Key Metrics	Percentage of supplier payments within agreed terms, supplier relationship management feedback score, and supplier diversity profile.

Society	
What matters to them?	Social mobility, youth skills and jobs, digital inclusion, diversity and inclusion, climate change, business ethics all related to Travel industry affairs.
How we engaged?	Membership charitable and community partnerships and of non-governmental organisations. Including trade associations aimed at bringing together and supporting the travel industry to deliver solutions to cross-industry issues and market changes.
Topics of Engagement	Youth employment, tackling digital exclusion, workplace inequalities, safety, environmental sustainability, government policy and legislation influencing the travel community.
Outcomes and actions	Implementation of real living wage, youth and employability programme, and commitments to tackle racism and enhance ethnic diversity.
Key Metrics	Percentage reduction in carbon footprint, amount of community investment, and responsible business report 2020: capita.com/responsiblebusiness.

On behalf of the board

J Parkhouse
Director

30 June 2021

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their Directors' report and Financial statements for the year ended 31 December 2020.

Results and dividends

The results for the year are set out on page 10.

During the year, the Company did not pay or propose any dividend (2019: £nil).

Directors

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

J Parkhouse
S N Taylor on behalf of Capita Corporate Director Limited
I S Sandhu

Political donations

The Company made no political donations and incurred no political expenditure during the year (2019: £nil).

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company's continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Company participates in the Group’s policies and practices to keep employees informed on matters relevant to them as employees through regular meetings, newsletters, email notices and intranet communications. These communication initiatives enable employees to share information within and between business units and employees are encouraged, through an open door policy, to discuss with management matters of interest to the employee and subjects affecting day to day operations of the Company. The Group’s share incentive plan is designed to promote employee share ownership and to give employees the opportunity to participate in the future success of the Group.

Environmental matters

Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with group policies, which are described in the Group's annual report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Auditor

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic report, Directors' report and the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he might reasonably be expected to take as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Qualifying third party indemnity provisions

The Company has granted an indemnity to the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

On behalf of the board

J Parkhouse

Director
30 June 2021
65 Gresham Street , London
United Kingdom, EC2V 7NQ

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CAPITA TRAVEL AND EVENTS LIMITED

Opinion

We have audited the financial statements of Capita Travel & Events Limited ("the company") for the year ended
31 December 2020 which comprise the Income Statement, the Balance Sheet and the Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 ; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that the Company is reliant on its ultimate parent undertaking, Capita plc, in regard to its ability to continue as a going concern. The most recent financial statements of Capita plc include material uncertainties that may cast significant doubt on its ability to continue as a going concern. The reliance of the Company on Capita plc accordingly means that these events and conditions constitute a material uncertainty that may cast significant doubt on the Group's and in turn, the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing" as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes and internal audit reports.
- Considering renumeration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Fraud and breaches of laws and regulations – ability to detect (continued)

As required by auditing standards, and taking into account possible pressures to meet profit and revenue targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management or individuals who do not frequently post journals, and those posted to unusual accounts, including unexpected combination of entries related to revenue, expenses, cash and borrowings.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non- compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAPITA TRAVEL AND EVENTS LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
30 June 2021

CAPITA TRAVEL AND EVENTS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Revenue	**3**	13,237,435	44,619,818
Cost of sales		(10,515,390)	(19,319,760)
Gross profit		**2,722,045**	**25,300,058**
Administrative expenses		(15,583,587)	(17,632,671)
Operating (loss)/profit	**4**	**(12,861,542)**	**7,667,387**
Other income	**5**	-	4,083,577
Inter company write off		-	(17,076,709)
Impairment		-	(3,907,708)
Net finance costs	**6**	(13,933)	(6,432)
Loss before tax		**(12,875,475)**	**(9,239,885)**
Income tax credit/(charge)	**8**	2,553,822	(1,487,766)
Total comprehensive expense for the year		**(10,321,653)**	**(10,727,651)**

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income statement.

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

CAPITA TRAVEL AND EVENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Non-current assets			
Property, plant and equipment	**9**	607,160	1,436,532
Intangible assets	**10**	8,864,588	10,219,913
Right of use asset	**11**	3,161	4,620
Investments in subsidiaries	**12**	2,670,513	2,670,513
Deferred tax	**8**	977,103	926,089
		13,122,525	**15,257,667**
Current assets			
Trade and other receivables	**13**	7,009,450	44,246,428
Income tax receivable		870,285	-
Cash	**14**	643,853	930,309
		8,523,588	**45,176,737**
Total assets		**21,646,113**	**60,434,404**
Current liabilities			
Trade and other payables	**15**	10,689,880	34,931,402
Deferred income	**16**	410,054	665,160
Financial liabilities	**17**	5,445,006	5,622,679
Lease liabilities	**18**	1,471	1,419
Provisions	**19**	554,493	302,573
Income tax payable		-	3,792,839
		17,100,904	**45,316,072**
Non-current liabilities			
Deferred income	**16**	-	250,000
Lease liabilities	**18**	1,523	2,993
		1,523	**252,993**
Total liabilities		**17,102,427**	**45,569,065**
Net assets		**4,543,686**	**14,865,339**

CAPITA TRAVEL AND EVENTS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Capital and reserves			
Issued share capital	**24**	100,001	100,001
Share premium		180	180
Retained earnings		4,443,505	14,765,158
Total equity		**4,543,686**	**14,865,339**

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

Approved by Board and authorised for issue on 30 June 2021

J Parkhouse
Director

Company Registration No. 01094729

CAPITA TRAVEL AND EVENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2019	**100,001**	**180**	**25,492,809**	**25,592,990**
Total comprehensive expense for the year	-	-	(10,727,651)	(10,727,651)
Contribution in respect of share based payment charge	-	-	(19,752)	(19,752)
Settlement of share based payment charge by intercompany	-	-	19,752	19,752
At 31 December 2019	**100,001**	**180**	**14,765,158**	**14,865,339**
Total comprehensive expense for the year	-	-	(10,321,653)	(10,321,653)
Contribution in respect of share based payment charge	-	-	(44,956)	(44,956)
Settlement of share based payment charge by intercompany	-	-	44,956	44,956
At 31 December 2020	**100,001**	**180**	**4,443,505**	**4,543,686**

Share capital

The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital comprising 100,001 ordinary shares.

Share premium

The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of the shares issued to them.

Retained earnings

Net profits kept to accumulate in the company after dividends are paid and retained in the business as working capital.

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

1 Accounting policies

1.1 Basis of preparation

Capita Travel and Events Limited is a Company incorporated and domiciled in the United Kingdom.

The financial statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards.

In determining the appropriate basis of preparation for the annual report and financial statements for the year ended 31 December 2020, the Company's Directors ("the Directors") are required to consider whether the Company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these accounts. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, and sensitivities, as set out below.

Board assessment
Base case scenario
The financial forecasts used for the going concern assessment are derived from the 2021-2023 business plans ('BP') for the Company which have been subject to review and challenge by management and the Directors. The Directors have approved the projections. COVID-19 has introduced unprecedented economic uncertainties and has led to increased judgement particularly in forecasting future financial performance. The forecast impact of COVID-19 has been incorporated within the base case forecasts, however the continuing uncertainty over how the COVID-19 pandemic might evolve, including the speed and timing of economic recovery, makes precise forecasting challenging.

Severe but plausible downside
In addition to the base case, the Directors considered severe but plausible downside scenarios, recognising the broader uncertainty arising from COVID-19. The downside scenarios include trading downside risks, which assumes further impacts of COVID-19.

Offsetting these risks the Directors have considered available mitigations within the direct control of the Company, including management of its expense base appropriate to business volumes.

Finally, the assessment has considered the extent to which the Company is reliant on the Group. The Company is reliant on the Group in respect of the following:

- provision of administrative support services and should the Group be unable to deliver these services, the Company would have difficulty in continuing to trade;
- participation in the Group's notional cash pooling arrangements, of which £9,888,688 was held at 31 May 2021. In the event of a default by the Group, the Company may not be able to access its cash balance within the pooling arrangement;
- recovery of receivables of £388,137 from fellow Group undertakings as of 31 May 2021. If these receivables are not able to be recovered when forecast by the Company, then the Company may have difficulty in continuing to trade; and
- additional funding that may be required if the company suffers continuing future losses.

The BP forecasts are dependent on Capita plc providing additional financial support over the period to 31 August 2022 (the "going concern period"). Capita plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts.

The BP forecasts are dependent on the company's ultimate parent Capita plc not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £239,312. Capita Plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts.

1 Accounting policies **(Continued)**

1.1 Basis of preparation (continued)

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Given the reliance the Company has on the Group, the Directors have considered the financial position of the ultimate parent undertaking as disclosed in its most recent financial statements, being for the year ended 31 December 2020.

Ultimate parent undertaking – Capita plc
The Capita plc Board ('the Board') concluded that it was appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, and sensitivities, when preparing the Group's consolidated financial statements to 31 December 2020. These financial statements were approved by the Board on 16 March 2021 and are available on the Group's website (www.capita.com/investors). Below is a summary of the position as at 16 March 2021:

Accounting standards require that the foreseeable future covers a period of at least 12 months from the date of approval of the financial statements, although they do not specify how far beyond 12 months a Board should consider. In the prior year, the Board considered an extended period out to 31 August 2022 (30 months) which aligned with the expiry of the revolving credit facility (RCF). The Board continued to consider the period out to 31 August 2022 for the purpose of the going concern assessment, which reflects a period of at least 18 months from the date of approval of the Group consolidated financial statements (the going concern period). While this is a shorter period, it does align with the expiry of the RCF which is a key consideration. The Board also considered any committed outflows beyond this period in forming their assessment.

To address the resilience of the Group to its severe but plausible downside scenarios, the Board has been exploring a refinancing of the debt maturities to reprofile the debt repayments to align with the completion of the transformation programme while also providing the financial support necessary to complete the required investments. While refinancing was not completed in 2020, the Board did successfully arrange backstop facilities in February and August 2020, is already in discussion with lenders, and is targeting completion of a refinancing in 2021.

In addition to refinancing, the Board has approved a continuation of the previously announced disposal programme which covers businesses that do not align with the longer-term strategy for the Group. The Group has a strong track record of executing major planned disposals and the Board is confident that the disposal programme can be delivered given the strength of the underlying businesses and the value they deliver. The planned disposals will introduce considerable net cash proceeds to the Group, albeit with a corresponding removal of consolidated profits associated with these businesses.

Material uncertainties related to the group:
The Board recognises that any refinancing, should the severe downside play out, would require third party agreements from lenders. Furthermore, the disposal programme requires agreement from third parties, and major disposals may be subject to shareholder and lender approval. Such agreements and approvals are outside the direct control of the Group. Accordingly, these events give rise to material uncertainties, as defined in auditing and accounting standards, relating to events and circumstances which may cast significant doubt about the Group's and Parent's ability to continue as a going concern and, therefore, that the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

Reflecting the Board's confidence in the transformation programme, ability to refinance, and execution of the approved disposal programme, the Company continues to adopt the going concern basis in preparing the financial statements. The Board has concluded that the Group and Parent Company will continue to have adequate financial resources to realise their assets and discharge their liabilities as they fall due over the period to 31 August 2022. Consequently, these financial statements do not include any adjustments which would be required if the going concern basis of preparation is inappropriate.

1 Accounting policies **(Continued)**

1.1 Basis of preparation (continued)

Conclusion
Although the Company has a reliance on the Group as detailed above, even in a severe but plausible downside for both the Company and the Group, the Directors are confident the Company will continue to have adequate financial resources to release its assets and discharge its liabilities as they fall due over the period to 31 August 2022 (the “going concern period”). Consequently, the annual report and financial statements have been prepared on the going concern basis.

However, as the Group’s financial statements have identified material uncertainties giving rise to significant doubt over the Group’s ability to continue as a going concern, given the Company’s reliance on the Group as set out above, this in turn gives rise to a material uncertainty relating to events and circumstances which may cast significant doubt about the Company’s ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments which would be required if the going concern basis of preparation were to be deemed inappropriate.

1.2 Compliance with accounting standards

The Company has applied FRS 101 – *Reduced Disclosure Framework* in the preparation of its financial statements.

The Company has prepared and presented these financial statements by applying the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU-IFRSs"), but made amendments, where necessary, to comply with the Companies, Act 2006.

The Company's ultimate parent undertaking, Capita plc, includes the Company in its consolidated statements. The consolidated financial statements are prepared in accordance with EU-IFRS and are available to the public and may be obtained from Capita plc’s website on http://capita.com/investors.

In these financial statements, the Company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel ;
- Certain disclosures as required by IFRS 15 - Revenue from contracts; and
- Certain disclosures as required by IFRS 16 - Leases.

As the consolidated financial statements of Capita plc include equivalent disclosures, the Company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of Group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company, in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures .

1 Accounting policies **(Continued)**

1.3 Changes in accounting policies

The Company has adopted the new amendments to standards detailed below but they do not have a material effect on the Company's financial statements.

New amendments	Effective date
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020
Definition of a Business (Amendments to IFRS 3)	1 January 2020

1.4 Revenue recognition

Revenue is earned within the United Kingdom.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

For all contracts, the Company determines if the arrangement with a customer creates enforceable rights and obligations. This assessment results in certain Master Service Agreements ('MSA's') not meeting the definition of a contract under IFRS 15 and as such the individual call-off agreements, linked to the MSA, are treated as individual contracts.

The Company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term.

1 Accounting policies **(Continued)**

1.4 Revenue recognition (continued)

Transactional (Point in time) contracts

The Company delivers a range of services that are transactional services for which revenue is recognised at the point in time when control of the services has transferred to the customer. This may be when the customer obtains control of an asset or service in a contract with customer specified acceptance criteria.

Principal versus agent

The Company has arrangements with some of its customers whereby it needs to determine if it acts as a principal or an agent as more than one party is involved in providing the goods and services to the customer. The Company acts as a principal if it controls a promised good or service before transferring that good or service to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. Factors considered in making this assessment are most notably the discretion the Company has in establishing the price for the specified good or service, whether the Company has inventory risk and whether the Company is primarily responsible for fulfilling the promise to deliver the service or good.

This assessment of control requires judgement in particular in relation to certain service contracts. An example, is the provision of certain recruitment and learning services where the Company may be assessed to be agent or principal dependent upon the facts and circumstances of the arrangement and the nature of the services being delivered.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent, revenue is recorded at a net amount reflecting the margin earned.

1.5 Goodwill

Goodwill is stated at cost less accumulated impairment losses. It is not amortised but is tested annually for impairment which is in accordance with FRS 101.A2.8. This is not in accordance with the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the period and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

1.6 Software development

Software development is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful life of between 5 to 15 years.

1.7 Property plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold improvements	over the period of the lease
Fixtures, fittings & equipment	3 - 5 years

1 Accounting policies **(Continued)**

1.8 Leasing

The Company leases various assets comprising land and building and equipment.

On adoption of IFRS 16 (effective 1 January 2019), the company has elected to grandfather the assessment of which arrangements are leases. Contracts not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. The determination whether an arrangement is, or contains, a lease is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The following sets out the Company’s lease accounting policy for all leases with the exception of leases with low value and term of 12 months or less which we have taken the exemption in the standard. These are expensed to the income statement.

At the inception of the lease, the Company recognises a right-of-use asset and a lease liability. A lease liability is recognised in the balance sheet at the present value of minimum lease payments determined at the inception of the lease. A right-of-use asset of equivalent value is also recognised. Right-of-use assets are depreciated using the straight-line method over the shorter of estimated life or the lease term. Depreciation is included within the line item administrative expenses in the income statement.

The Company as a lessee - Right-of-use assets and lease liabilities

Right-of-use assets are measured at cost, which comprised the initial amount of the lease liability adjusted for any lease payments made at or before the adoption date, less any lease incentives received at or before the adoption date. Depreciation is included within administrative expenses in the income statement. Right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable. Right-of-uses assets exclude leases with a low value and term of 12 months or less. These leases are expensed to the income statement as incurred.

Lease liabilities are measured at amortised cost using the effective interest rate method. Lease payments are apportioned between a finance charge and a reduction of the lease liability based on the constant interest rate applied to the remaining balance of the liability. Interest expense is included within the line item net finance costs in the income statement.

The lease payments comprise fixed payments, including in-substance fixed payments such as service charges and variable lease payments that depend on an index or a rate, initially measured using the minimum index or rate at inception date. The payments also include any lease incentives and any penalty payments for terminating the lease, if the lease term reflects the lessee exercising that option. Lease liability is adjusted for any prepayment

The lease term determined comprises the non-cancellable period of the lease contract. Periods covered by an option to extend the lease are included if the Company has reasonable certainty that the option will be exercised and periods covered by the option to terminate are included if it is reasonably certain that this will not be exercised.

The lease liability is subsequently remeasured (with a corresponding adjustment to the related right-of-use asset) when there is a change in future lease payments due to a renegotiation or market rent review, a change of an index or rate or a reassessment of the lease term. Payments associated with leases that have a term of less than 12 months or are of low value are recognised as an expense in the income statement as incurred.

1 Accounting policies **(Continued)**

1.9 Financial Instruments

Investments and other financial assets

(i) Classification
The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.
Financial Instruments (continued)

(iii) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable.
(iv) Impairment
The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

1.10 Impairment of non-financial assets
At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1 Accounting policies **(Continued)**

1.11 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.12 Pension

The Company participates in a number of defined contribution schemes and contributions are charged to the profit and loss account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the Company. The Company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Group liability centrally. Any unpaid contributions at the year end have been accrued in the accounts of that Company.

1.13 Taxation

Tax on the profit or loss for year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

1.14 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1 Accounting policies **(Continued)**

1.15 Share-based payments

The Company participates in various share option and share save schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the Group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the ultimate parent company.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the Company, since the previous balance sheet date is recognised in the income statement and settled with Capita plc, the ultimate parent undertaking.

In accordance with IFRS 2, share option awards of the ultimate parent Company’s equity instruments in respect of settling grants to employees of the Company are disclosed as a charge to the profit and loss account and a credit to equity. The Company’s policy is to reimburse its ultimate parent Company through the intercompany account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-Company which better describes the underlying nature of the transaction.

1.16 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its Group. The Company has not prepared Group accounts as it is fully exempt from the section 400 the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a Company incorporated in England and Wales, and is included in the consolidated accounts of that Company.

1.17 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.18 Government Grants

Government grants are not recognised until there is a reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the income statement on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the income statement in the period in which they become receivable.

2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement and impairment of goodwill and investments. The Company determines whether goodwill is impaired on an annual basis and thus requires an estimation of the value in use of the cash generating units to which the intangibles assets are allocated. This involves estimation of future cash flows and choosing a suitable discount rate. The Company determines whether investments are impaired based on any impairment indicators. This involves estimation of the enterprise value of the investee which is determined based on the greater of discounted future cash flows at a suitable discount rate or through the recoverable value of investments held by the investee Company. The Company has made judgements in adopting IFRS 16 such as; determining contracts in scope for IFRS 16, determining the interest rate used for discounting of future cash flows, and the lease term.

3 Revenue

The total revenue of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating (loss)/profit

	2020 £	2019 £
Operating (loss)/profit for the year is stated after charging:		
Net foreign exchange loss	128,980	10,890
Depreciation of property, plant and equipment	480,669	848,273
Loss on disposal of property, plant and equipment	-	38,421
Amortisation of intangible assets	1,355,325	771,163
Impairment of property, plant and equipment	348,703	-
Operating lease rentals - plant and machinery	109,758	233,670
Operating lease rentals - other assets	-	3,212
Depreciation of right-of-use-assets	1,459	1,460

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £65,000 (2019: £21,167). The Company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the company accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

5 Other income

	2020 £	2019 £
Income from shares in Group undertakings	-	4,083,577
	-	**4,083,577**

6 Net finance costs

	2020	2019
	£	£
Interest on bank deposits	14,813	6,257
Interest expense on leases liabilities	139	175
Interest receivable from Group undertaking	(1,019)	-
	13,933	**6,432**

7 Leases under IFRS 16

	2020	2019
	£	£
Interest expense on lease liabilities	139	175
Expenses relating to short-term leases	109,758	236,882
Depreciation on right of use asset	1,459	1,460

8 Income tax

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	2020	2019
Current tax	£	£
UK corporation tax	(2,504,982)	1,643,809
Adjustments in respect of prior periods	2,174	42,195
	(2,502,808)	**1,686,004**
Deferred tax		
Origination and reversal of temporary differences	(55,102)	(148,836)
Adjustments in respect of prior periods	4,088	(49,402)
	(51,014)	**(198,238)**
Total tax (credit)/ charge reported in the income statement	**(2,553,822)**	**1,487,766**

8 Income tax (Continued)

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	2020	2019
	£	£
Loss before tax	**(12,875,475)**	**(9,239,885)**
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019:19.00%)	**(2,446,340)**	**(1,755,578)**
Taxation impact of factors affecting tax charge:		
Non taxable income	(73,472)	(775,880)
Expenses not deductible for tax purposes	68,201	4,008,921
Impact of changes in statutory tax rates	(108,473)	17,510
Adjustments in respect of current income tax of prior periods	2,174	42,195
Adjustments in respect of deferred income tax of prior periods	4,088	(49,402)
Total tax adjustments	**(107,482)**	**3,243,344**
Total tax (credit)/charge reported in the income statement	**(2,553,822)**	**1,487,766**

	Balance sheet		Income Statement	
	2020	2019	2020	2019
	£	£	£	£
Deferred tax asset				
Decelerated capital allowances	(925,802)	(882,295)	(43,507)	(286,185)
Other timing differences	(51,301)	(43,794)	(7,507)	87,947
Net deferred tax asset	**(977,103)**	**(926,089)**		
Deferred tax credit to income statement			**(51,014)**	**(198,238)**
Transfer from other group companies			-	(3,679)
Total deferred tax charge/(credit)			**(51,014)**	**(201,917)**

A change to the main UK corporation tax rate was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent. The UK deferred tax asset at 31 December 2020 has been calculated based on this rate, resulting in a £108,473 tax credit to the income statement in 2020.

On 3 March 2021, it was announced in the Budget that the UK tax rate will increase from 19% to 25% from 1 April 2023 onwards. This will increase the company's future income tax charge from 2023. If this rate change had theoretically been applied to the deferred tax balances at 31 December 2020, the deferred tax asset would have increased by £308,559.

9 Property, plant and equipment

	Land and buildings leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2020	**2,395,112**	**1,189,855**	**3,584,967**
Asset retirement	(1,178,698)	(426,281)	(1,604,979)
At 31 December 2020	**1,216,414**	**763,574**	**1,979,988**
Depreciation and impairment			
At 1 January 2020	**1,479,507**	**668,928**	**2,148,435**
Impairment*	347,498	1,205	348,703
Depreciation	233,349	247,320	480,669
Asset retirement	(1,178,698)	(426,281)	(1,604,979)
At 31 December 2020	**881,656**	**491,172**	**1,372,828**
Net book value			
At 31 December 2019	**915,605**	**520,927**	**1,436,532**
At 31 December 2020	**334,758**	**272,402**	**607,160**

*Impairment in charges totalling £348,703 relate to property sites exited during 2020.

10 Intangible assets

	Goodwill	Software Development	Total
	£	£	£
Cost			
At 1 January 2020	**5,583,700**	**9,042,508**	**14,626,208**
Asset retirement	-	(3,484,076)	(3,484,076)
31 December 2020	**5,583,700**	**5,558,432**	**11,142,132**
Amortisation and impairment			
At 1 January 2020	**115,800**	**4,290,495**	**4,406,295**
Amortisation	-	1,355,325	1,355,325
Asset retirement	-	(3,484,076)	(3,484,076)
At 31 December 2020	**115,800**	**2,161,744**	**2,277,544**
Net book value			
At 31 December 2019	**5,467,900**	**4,752,013**	**10,219,913**
At 31 December 2020	**5,467,900**	**3,396,688**	**8,864,588**

11 Right of use assets

	2020
Net Book Value	**Equipment**
	£
At 1 January	4,620
Depreciation charged during the year	(1,459)
At 31 December	**3,161**

12 Investment in subsidiaries

	£
Cost	
At 1 January 2020	6,902,965
At 31 December 2020	**6,902,965**
Impairment	
At 1 January 2020	4,232,452
At 31 December 2020	**4,232,452**
Net book value	
At 31 December 2020	**2,670,513**
At 31 December 2019	**2,670,513**

Details of the Company's direct subsidiaries at 31 December 2020 are as follows:

Company name	Country of registration or incorporation	Ordinary shares held (%)	Nature of business
Booking Services International Limited*	England and Wales	100%	Hotel Programme management
BSI Group Limited*	England and Wales	100%	Dormant
Expotel Hotel Reservations Limited*	England and Wales	100%	Hotel, travel and event management
International Travel Group Limited*	England and Wales	100%	Dormant
NYS Corporate Ltd*	England and Wales	100%	Specialist Events, Conference and Corporate Travel Management
Venues Events Management Limited*	England and Wales	100%	Event management

* 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

12 Investment in subsidiaries **(Continued)**

Details of the Company's indirect subsidiaries at 31 December 2020 are as follows:

Company	Country of registration or incorporation	Ordinary shares held (%)	Nature of business
Latemeetings.com Limited*	England and Wales	100%	Dormant

* 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

13 Trade and other receivables

Current	2020 £	2019 £
Trade receivables	3,116,939	30,539,661
Other receivables	2,225	232,418
Accrued income	1,628,254	11,340,145
Prepayments	958,524	1,346,890
Amounts due from parent and fellow subsidiary undertaking	1,303,508	787,314
	7,009,450	**44,246,428**

The trade receivables and accrued income balances include amounts relating to pass through revenue .

14 Cash

	2020 £	2019 £
Cash at bank and in hand	643,853	930,309
	643,853	**930,309**

15 Trade and other payables

Current	2020 £	2019 £
Trade payables	4,507,831	25,439,669
Other payables	511,055	12,987
Other taxes and social security	181,049	951,248
Accruals	5,250,633	7,776,373
Amounts due to parent and fellow subsidiary undertaking	239,312	751,125
	10,689,880	**34,931,402**

16 Deferred income

	2020 £	2019 £
Current		
Deferred income	410,054	665,160
	410,054	**665,160**
Non-current		
Deferred income	-	250,000
	-	**250,000**

17 Financial liabilities

	2020 £	2019 £
Current		
Overdrafts	5,445,006	5,622,679
	5,445,006	**5,622,679**

18 Lease Liabilities

	2020	2019
	£	£
Current		
Lease liability	1,471	1,419
	1,471	**1,419**
Non Current		
Lease liability	1,523	2,993
	1,523	**2,993**

Maturity analysis - Contractual undiscounted cash flows	**£**
Less than one year	1,557
One to two years	1,557
Total undiscounted lease liabilities at 31 December	**3,114**

19 Provisions

Current	**Property provision**	**Restructuring provision**	**Total**
	£	**£**	**£**
As at 1 January 2020	**267,809**	**34,764**	**302,573**
Additions	374,801	-	374,801
Reclass	34,764	(34,764)	-
Utilisation	(122,881)	-	(122,881)
At 31 December 2020	**554,493**	**-**	**554,493**

Property provision
The Company is required to perform repairs on leased properties prior to the properties being vacated at the end of the lease term. Dilapidation provisions for such costs are made where a legal obligation is identified and the liability can be reasonably quantified.

20 Employee benefits

Contributions in respect of the defined contribution schemes payable by the Company during the year amounted to £1,006,279 (2019: £1,272,666).

21 Employees

The average monthly number of employees (including non-executive directors) were:

	2020	**2019**
	Number	**Number**
Management and administration	282	234
Operational and distribution	306	486
	588	**720**

Their aggregate remuneration comprised:

	2020	**2019**
Employee costs	**£**	**£**
Wages and salaries	13,411,589	19,130,552
Social security costs	1,505,787	1,866,686
Pension costs	1,006,279	1,272,666
Shared based payments	44,956	19,752
	15,968,611	**22,289,656**

During the year the business furloughed employees unable to work as a result of the COVID-19 pandemic, and as part of the Capita Plc group applied to the Coronavirus Job Retention Scheme (CJRS) operated by the UK government. Amounts received under the CJRS are treated as a government grant and deducted from the relevant cost in the income statement. During the year, the business received £2,883,182 under the CJRS. The amounts are included within the relevant cost headings in the table above.

22 Directors' remuneration

	2020	**2019**
	£	**£**
Remuneration for qualifying services	366,526	332,936
Company pension contributions to defined contribution schemes	34,374	15,683
	400,900	**348,619**

The number of directors for whom retirement benefits are accruing under defined contribution schemes is 2 (2019-1).

Two (2019- Two) directors were paid by the Company. Other directors have not provided qualifying services to the Company and are paid by other companies within the Capita Group. Such remuneration has not been allocated to the Company. Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	**2019**
	£	**£**
Remuneration for qualifying services	235,274	263,200
Company pension contributions to defined contribution schemes	23,100	12,636
	258,374	**275,836**

23 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of Transaction	Name of Company	Year	Fellow Subsidiary	Total
			£	£
Purchase of Goods/ Services				
	Axelos Limited	December 31, 2020	-	-
		December 31, 2019	17,160	17,160
	Fera Science Limited	December 31, 2020	1,832	1,832
		December 31, 2019	548	548
	Total			
		December 31, 2020	**1,832**	**1,832**
		December 31, 2019	**17,708**	**17,708**
			£	£
Sales of Goods/Services				
	Capita Glamorgan Consultancy Limited	December 31, 2020	-	-
		December 31, 2019	12,172	12,172
	Urban Vision Partnership Limited	December 31, 2020	16,034	16,034
		December 31, 2019	50,674	50,674
	Fera Science Limited	December 31, 2020	79,012	79,012
		December 31, 2019	340,726	340,726
	Axelos Limited	December 31, 2020	203,530	203,530
		December 31, 2019	760,526	760,526
	Total			
		December 31, 2020	**298,576**	**298,576**
		December 31, 2019	**1,164,098**	**1,164,098**

Closing balance of Related Parties

Nature of Transaction	Name of Company	Year	Fellow Subsidiary	Total
			£	£
Trade Receivables				
	Urban Vision Partnership Limited	December 31, 2020	979	979
		December 31, 2019	100	100
	Capita Glamorgan Consultancy Limited	December 31, 2020	-	-
		December 31, 2019	425	425
	Axelos Limited	December 31, 2020	172,219	172,219
		December 31, 2019	1,852	1,852
	Fera Science Limited	December 31, 2020	-	-
		December 31, 2019	777	777
	Total			
		December 31, 2020	**173,198**	**173,198**
		December 31, 2019	**3,154**	**3,154**

24 Issued share capital	**2020 Numbers**	**2019 Numbers**	**2020 £**	**2019 £**
Allotted, called up and fully paid				
Ordinary shares of £1 each				
At 1 January	100,001	100,001	100,001	100,001
At 31 December	**100,001**	**100,001**	**100,001**	**100,001**

Share capital

The nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

25 Controlling party

The Company is a wholly owned subsidiary undertaking of Capita Travel and Events Holdings Limited, a company incorporated in England & Wales.

The Company's ultimate parent undertaking is Capita plc, a company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

26 Post balance sheet events

There are no significant events which have occurred after the reporting period.