

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Principal risks and uncertainties (continued)

2020 with the global pandemic Covid-19 has brought an unprecedented challenge to the Travel market and consequently to the company's subsidiary, Cega Group Services Limited, which has seen material reductions in turnover and profit as a consequence of very limited travel. Its 2020 and 2021 performance will depend upon how quickly or if travel picks up, although we expect turnover and profit to be significantly lower than 2019 as a result. The management of Cega Group Services Limited has taken appropriate cost reduction actions including taking advantage of the government employment furlough scheme while continuing to meet the service needs of our customers. As a result of this down-turn a restructuring process was carried out in October 2020 resulting in reduction in the subsidiary's headcount of approximately 160 people to create a sound financial business-readiness platform for 2021

The UK's exit from the EU does not have a significant operational impact for the company's subsidiary, Cega Group Services Limited, as the majority of its business activities are within the UK. However, any changes to travel arrangements for UK citizens within the EU after the end of the transitional arrangement on 31 December 2020 may affect its trading activities.

S172 Statement and stakeholder engagement

The directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the company for the benefit of its shareholders while having regard for all stakeholders, including fellow group companies and the wider community.

Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 40 and 41 of the annual report of Charles Taylor Limited, which does not form part of this report.

The disclosure in the Charles Taylor Limited group annual report considers all relevant factors for the company. The company does not have any customers, suppliers or employees of its own, however it is the parent of a large group including its subsidiary Cega Group Services Limited.

During the year, the directors additionally considered the current subletting and future disposal in 2022 of the company's long leasehold property (see note 12 to the financial statements) and the establishment of a new subsidiary in Spain.

Approval

Approved by the Board and signed by order of the board:

J R Baker
Director



16th November 2020