

**Hogg Robinson (Travel) Limited**

**Annual report and financial statements**

**Registered number 1284358**

**Period ended 31 December 2018**



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## Strategic report

The Directors present their strategic report on the Company for the period ended 31 December 2018.

### Principal activities, business review and future developments

The principal activity of the company is that of a corporate services company specialising in travel, expense and data management underpinned by proprietary technology.

For the 9 month period ended 31 December 2018 operating profit before exceptional items was £2.5m (year ended March 2018: £7.4m).

Revenue decreased to £52.3m (March 2018: £75.3m), reflecting the shorter period of accounts and number of employees decreased from 1,100 to 1,030. The pro rated revenue per annum per employee decreased to £67.7k (March 2018: £68.5k). The effect of the decline in revenue on operating profit was reduced by the cost cutting measures taken by management during this and previous periods.

The activities of the company are not anticipated to materially change in the immediate future.

### Key performance indicators ("KPIs")

The Directors believe that the ultimate performance indicators should be financial and have chosen operating profit before exceptional items and revenue per employee. These KPIs are quantified in the Principal activities, business review and future developments section above.

With a wide variety of clients and a business model that adapts to their individual needs, the cost of service varies significantly. With staff costs representing around 59% of total operating expenses across the Company, revenue per employee is monitored as a measure of staff efficiency.

### Significant event

On 19 July 2018, the company's ultimate parent company Hogg Robinson Group plc was acquired by Global Business Travel Holdings Limited ("GBT Holdings"). At that date the ultimate parent company and controlling party of Hogg Robinson (Travel) Limited changed to GBT III BV. Hogg Robinson Group plc was also renamed to Hogg Robinson Group Limited. Unless otherwise stated, all references to the ultimate parent company throughout this report refer to the position as at 31 December 2018.

### Exceptional items

Restructuring costs of £0.6m (March 2018: £1.1m) were incurred during the period relating to planned cost reduction programmes. They are in respect of redundancy costs and onerous lease provisions. In addition, £2.4m (March 2018: £nil) of exceptional costs were incurred relating to impairment of assets triggered by the acquisition of the company's then parent company, Hogg Robinson Group plc by GBT Holdings and discontinuing use of the assets.

### Results

The loss for the financial period amounted to (£0.5m) (profit March 2018: £5.1m) and has been transferred to reserves. No dividend was paid from reserves during the period (March 2018: £0).

The net assets of the Company as at 31 December 2018 amounted to £70.7m (March 2018: £72.2m).

### Financial reporting framework

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law (United Kingdom Generally Accepted Accounting Practice).

### Principal risks and uncertainties

#### *Financial Risks*

There is limited financial risk to the company due to being part of a large global organisation whose investors have sound financial resources. The UK economy is currently growing albeit slowly, which helps instil a cautious confidence in our customers and suppliers.


#### *Competitive Risks*

The travel industry is a competitive environment in which the company aims to keep its cutting edge to remain a market leader. The directors do not believe there is any significant threat or uncertainty which could affect the Company's standing in the market.

#### *Legislative Risks*

The company is registered with many travel regulatory bodies and has guarantors, bonds, and insurance in place to protect our customers and business against any unforeseen incidents.

By order of the Board

  
I Windsor  
Director

## Directors' report

The Directors present their report and the audited financial statements of the Company for the period ended 31 December 2018. Please refer to the Strategic Report for the Directors' review of the business and future developments.

### Dividends

The directors have not proposed a final dividend payment (March 2018: £nil). No interim dividend was paid (March 2018: no dividend).

### Directors

The Directors of the Company who served during the period ended 31 December 2018 and up to the date of signing these financial statements were as follows:

W F Brindle  
M N Maher (resigned 17<sup>th</sup> September 2018)  
N H Northridge (resigned 20<sup>th</sup> July 2018)  
D J C Radcliffe (resigned 17<sup>th</sup> September 2018)  
I M Windsor

M N Maher, W F Brindle, N H Northridge and D J C Radcliffe were also Directors of Hogg Robinson Group Limited, formerly known as Hogg Robinson Group plc, which was the Company's ultimate parent company until 19<sup>th</sup> July 2018.

### Employees

Employees are informed of the performance of Hogg Robinson Group plc, and of any factors affecting their employment. Annual reports of the Group are made available to all staff and there is a comprehensive internal communications programme through which management communicate with employees, and employees are encouraged to assist in the Company's development.

Fair and full consideration is given to applications for employment from disabled persons having regard to their particular aptitudes and abilities. Efforts are made to continue the employment of those who become disabled. Opportunities for training, career development and promotion are, as far as practicable, identical for all employees.

The Company consistently seeks to recruit, develop and employ suitably qualified, capable and experienced people in an environment of equal opportunity.

The Company aims to maintain a high standard of safe and healthy working conditions comparable with the best practices in the particular industry in which it operates.

### Environmental policy

The Company's trading activities have only marginal direct impact on the environment. The Company is committed to conducting its business in a manner that shows responsibility towards the environment and in ensuring high standards of health and safety for its employees. It complies with statutory and mandatory requirements and where practicable aims to exceed regulations applicable to its areas of business. Working practices are routinely monitored as improved techniques and technologies become available.

### Risk management

See note 1 for information on the Company's risk management policies.

## **Directors' report** *(continued)*

### **Directors' indemnity arrangements**

The Company has purchased and maintained throughout the period Directors' and Officers' liability insurance in respect of itself and its Directors whether in their capacity as Directors of the Company or associated companies. The Directors also have the benefit of indemnity provisions in the Company's Articles of Association. These provisions are qualifying third party indemnity provisions as defined in section 234 of the Companies Act 2006, and were in force during the financial period and also at the date of approval of the financial statements.

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the period.

### **Disclosure of information to auditor (unless exempt from audit)**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

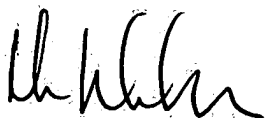
### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report on page 1.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**I Windsor**  
*Director*

Spectrum Point,  
279 Farnborough Road,  
Hampshire,  
GU14 7NJ  
9 August 2019

## **Statement of directors' responsibilities in respect of the annual report and 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 period. 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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOGG ROBINSON (TRAVEL) LIMITED**

### **Opinion**

We have audited the financial statements of Hogg Robinson (Travel) Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by directors, such as the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOGG ROBINSON (TRAVEL) LIMITED (continued)**

### **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.; or

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, 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](http://www.frc.org.uk/auditorsresponsibilities).



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOGG ROBINSON (TRAVEL) LIMITED (continued)**

### **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.



**Natasha Jones (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Gateway House  
Tollgate  
Chandlers Ford  
Eastleigh  
SO53 3TG

12 August 2019

**Profit and Loss Account and Other Comprehensive Income**  
*for the period ended 31 December 2018*

	Note	9 months ended 31 Dec 2018	Year ended 31 March 2018
		£	£
<b>Revenue</b>	2	<b>52,335,732</b>	<b>75,349,361</b>
Administrative costs - staff costs	3	(30,993,592)	(38,465,276)
Administrative costs - other		(21,749,392)	(32,031,942)
<b>Total administrative costs</b>		<b>(52,742,984)</b>	<b>(70,497,218)</b>
<b>Operating (loss)/profit</b>	4	<b>(407,252)</b>	<b>4,852,143</b>
Analysed as:			
Operating profit before exceptional items		2,526,410	7,351,554
Exceptional items	4	(2,933,662)	(2,499,411)
<b>Operating (loss)/profit</b>		<b>(407,252)</b>	<b>4,852,143</b>
Interest receivable		2,029	-
<b>(Loss)/Profit before taxation</b>		<b>(405,223)</b>	<b>4,852,143</b>
Tax (charge)/credit for the period	5	(85,975)	276,088
<b>(Loss)/Profit and total comprehensive (expense)/income for the period</b>		<b>(491,198)</b>	<b>5,128,231</b>

The Company has no movements in comprehensive income other than the (loss)/profit above, and therefore no separate statement of comprehensive income has been presented.


The notes on pages 11 to 30 are an integral part of these financial statements.

**Balance Sheet**  
*at 31 December 2018*

	Note	As at 31 Dec 2018	As at 31 March 2018
		£	£
<b>Fixed assets</b>			
Intangible assets	6	517,754	609,713
Tangible assets	7	809,892	1,202,299
Investments	8	1,266,001	1,266,001
		<u>2,593,647</u>	<u>3,078,013</u>
<b>Current assets</b>			
Trade and other receivables: Amounts falling due within one year	9	93,026,994	102,889,802
Trade and other receivables: Amounts falling due after more than one year	9	395,166	463,842
Cash at bank and in hand		4,636,006	24,660,338
		<u>98,058,166</u>	<u>128,013,982</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	10	(28,048,605)	(57,339,350)
<b>Net current assets</b>		<u>70,009,561</u>	<u>70,674,632</u>
<b>Total assets less current liabilities</b>		<u>72,603,208</u>	<u>73,752,645</u>
Provisions for liabilities	11	(1,952,890)	(1,573,583)
<b>Net assets</b>		<u>70,650,318</u>	<u>72,179,062</u>
<b>Capital and reserves</b>			
Called up share capital	12	56,570,778	56,570,778
Share premium account		4,997,222	4,997,222
Retained earnings		9,082,318	10,611,062
<b>Total shareholders' funds</b>		<u>70,650,318</u>	<u>72,179,062</u>

The notes on pages 11 to 30 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 9 August 2019 and were signed on its behalf by:

  
I Windsor  
Director

Company registered number: 1284358

## Statement of Changes in Equity

	Attributable to equity holders of the Company			
	Share	Share	Retained	Total shareholders'
	capital	premium	earnings	funds
	£	£	£	£
Balance at 1 April 2018	56,570,778	4,997,222	10,611,062	72,179,062
Change in accounting policy (see note 17)	-	-	(1,037,546)	(1,037,546)
Restated balance at 1 April 2018	56,570,778	4,997,222	9,573,516	71,141,516
Loss and total comprehensive expense for the financial period	-	-	(491,198)	(491,198)
Balance at 31 December 2018	56,570,778	4,997,222	9,082,318	70,650,318

	Attributable to equity holders of the Company			
	Share	Share	Retained	Total shareholders'
	capital	premium	earnings	funds
	£	£	£	£
Balance at 1 April 2017	56,570,778	4,997,222	5,482,831	67,050,831
Profit and total comprehensive income for the financial year	-	-	5,128,231	5,128,231
Balance at 31 March 2018	56,570,778	4,997,222	10,611,062	72,179,062

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Hogg Robinson (Travel) Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 1284358 and the registered address is Spectrum Point, 279 Farnborough Road, Farnborough, Hampshire GU14 7NJ.

The Company has taken advantage of the exemption provided by section 400 of the United Kingdom Companies Act 2006, from producing consolidated financial statements as it is consolidated within the financial statements of GBT III BV. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates, as noted in the key management judgements policy on page 13.

The Company is domiciled and incorporated in England, United Kingdom as a private limited company. The address of its registered office is Spectrum Point, 279 Farnborough Road, Farnborough, Hampshire GU14 7NJ.

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined),
- IFRS 7, 'Financial Instruments: Disclosures',
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement', disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities,
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- IAS 7, 'Statement of cash flows',
- Paragraph 17 of IAS 24, 'Related party disclosures', key management compensation,
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group,
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), a statement of cash flows for the period,
  - 16, statement of compliance with all IFRS,
  - 38A, requirement for minimum of two primary statements, including cash flow statements,
  - 388-D, additional comparative information,
  - 111, cash flow statement information, and
  - 134-136, capital management disclosures

The Directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

#### New standards, amendments and IFRIC interpretations

IFRS 15 is a new accounting standards that is effective for the period ended 31 December 2018 and has had an impact on the company as reported in note 17. IFRS 9 is a new accounting standard that is effective for the period ended 31 December 2018 and has had no material impact on adoption. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018 have had a material impact on the company.

## Notes (continued)

### 1 Accounting policies (continued)

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and rebates, value added tax and other sales related taxes. Revenue does not include transactions entered into by Company clients for which the Company acts as agent.

Revenue represents service fees earned from clients, management fees and revenue and commissions from suppliers.

Client service fees are earned by charging a transaction or management fee for airline or other transactions, based on contractual agreements with travel clients. Transaction revenue is recognised at the time of ticketing of the travel arrangement with the exception of hotel related income, which is recognised at the time travel plans are confirmed. Management fees are recognised over the period of time that the service is provided to the client. Revenue from Meetings, Groups and Events is accounted for based on the event date.

Supplier revenues are earned under sales and marketing agreements, incentive arrangements and distribution and system usage agreements. In such cases, revenue is measured at each balance sheet date as total anticipated income multiplied by the percentage stage of completion of the contract.

#### Dividend distributions

Interim dividends are recognised in the financial statements in the period in which they are paid.

Final dividends to the Company's shareholders are recognised in the financial statements in the period in which the dividends are approved by the Company's shareholders.

#### Exceptional items

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount and do not form part of the underlying business of the Company.

#### Goodwill

Goodwill represents the surplus of the purchase consideration over the fair value of the separable net assets of the subsidiary acquired. Goodwill on acquisitions of subsidiaries is included in intangible assets. Separately recognised goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in operating expenses in the Income Statement and is not subsequently reversed.

The review of impairment includes examination of anticipated cash flows from the cash generating units to which goodwill relates. Goodwill is written down to its estimated recoverable amount, being the higher of:

- the amount obtainable from sale on an arm's length basis, less the costs of disposal; and
- the value in use, the net present value of future cash flows expected to be generated from the business.

When a business is disposed of the carrying amount of goodwill applicable is taken into account in determining the profit or loss on disposal.

Goodwill is tested for impairment annually. Goodwill was fully impaired in the year.

## Notes (continued)

### 1 Accounting policies (continued)

#### Other intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are stated at cost less accumulated amortisation and impairment. Amortisation is provided on the cost of all intangible assets, less the estimated residual value, using the straight-line basis over the estimated useful lives as follows:

Computer software	2-5 years
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Amortisation is charged to operating expenses in the Income Statement.

An assessment is made at each reporting date whether an asset may be impaired. If any such indicator exists, impairment is tested by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset an impairment charge is made.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment. Cost is defined as expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on the cost of all tangible fixed assets, less the estimated residual value, which is re-assessed annually, using the straight-line basis over the estimated useful lives as follows:

Leasehold property	the lease term
Leased plant & equipment	the lease term
Owned plant & equipment	3-7 years

The Company assesses at each reporting date whether an asset may be impaired. If any such indicator exists, impairment is tested by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset an impairment charge is made.

#### Investments and investment income

Investments in subsidiary companies are stated at cost less any provisions for impairment in value. Income from investments is included to the extent of any dividends and distributions received.

The Company assesses at each reporting date whether an asset may be impaired. If any such indicator exists, impairment is tested by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset, an impairment charge is made.

#### Foreign currency translation

Transactions other than in Sterling are translated at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date and any exchange differences arising are recognised in the Income Statement.

#### Taxation and deferred taxation

##### Current taxation

Taxation is calculated on profits chargeable to UK corporation tax at the current applicable rate.

##### Deferred taxation

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Notes (continued)

### 1 Accounting policies (continued)

#### Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be necessary to settle the obligation and the amount can be reliably estimated. Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are discounted where the impact is material.

#### Financial assets

Financial assets are classified as either at fair value through profit or loss or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Trade receivables are recognised initially at fair value with subsequent provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the Income Statement. When a trade receivable is not collectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the Income Statement.

#### Financial liabilities

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### Share-based incentives

Hogg Robinson Group Limited operated several equity-settled share-based incentive schemes for group employees. The fair value of the awards was calculated at grant date and was recognised as an expense over the vesting period.

On the 19 July 2018 Hogg Robinson Group Limited was acquired by GBT Holdings Limited. With the approval of shareholders and with the sanction by court on 17 July 2018, all awards vested in full without any reduction for time pro-rating, except that options under the Hogg Robinson Sharesave schemes which were restricted to the value of employee savings made by the exercise date. Options under the Hogg Robinson Performance share plan (PSP) were exercisable for six months following the Scheme Court Order. Options under Hogg Robinson Share Options Plans (CSOP) which were already exercisable had to be exercised on or before the scheme court date. Options under the Hogg Robinson Sharesave schemes became exercisable from the scheme court date and remained exercisable for six months from that date.

Prior to acquisition, Group undertakings were recharged by Hogg Robinson Group Limited for the cost of share-based payment schemes relating to those employees for whom the Company is also recharged staff costs; the future expected costs of these schemes were fully recharged as an exceptional item in the year ending 31 March 2018.

Further details of the share-based incentive scheme in which the Company participates are included in the Consolidated Financial Statements of GBT III BV.

#### Pensions

Up until 30 June 2013 and subject to conditions, certain employees participated in a defined benefit pension scheme (the Hogg Robinson (1987) Pension Scheme). Following a consultation process with active members, the UK defined benefit section was closed to future accrual on 30 June 2013 and replaced with a defined contribution section. As part of the 2017 triennial valuation it was agreed that deficit reduction contributions for the Scheme year ending 31 March 2019 would total £15m, being £11.25m for the 9 month period to 31 December 2018. In addition, a one-off contribution of £25m was paid into the Scheme during the period by GBT III BV.

On the 19 July 2018 Hogg Robinson Group Limited was acquired by GBT Holdings Limited. From this date, GBT Travel Services UK Limited became the principle employer in terms of the defined benefit pension scheme.

In addition, subject to conditions, certain employees participated in a defined contribution scheme (the Hogg Robinson Stakeholder Pension Scheme) during the period.



## Notes (continued)

### 1 Accounting policies (continued)

#### *Hogg Robinson (1987) Pension Scheme*

Under IAS 19 'Employee Benefits', the Company is accounting for both the defined benefit and defined contribution sections of the scheme as if they were both defined contribution arrangements as the Company is unable to identify its share of the underlying assets and liabilities of the defined benefit section of the Scheme. This means the pension charge for the period is equal to the contributions payable and the deficit of the scheme is recognised on the balance sheet of GBT Travel Services UK Limited following the acquisition mentioned above, and Hogg Robinson Limited prior to the acquisition, and not the balance sheet of this Company.

#### *Hogg Robinson Stakeholder Pension Scheme*

The Hogg Robinson Stakeholder Pension Scheme is a defined contribution scheme and therefore contributions paid by the Company are charged to the Income Statement as incurred. The assets that relate to the scheme are held in an independently administered fund.

No amounts were prepaid or accrued at the balance sheet date (March 2018: £nil).

Further details of the Company's pension arrangements are included in the financial statements of Hogg Robinson Limited.

#### **Operating leases**

Operating lease rentals, net of any incentives received from the lessor, are charged to the Income Statement on a straight-line basis over the life of the lease.

#### **Critical accounting estimates and key management judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The principal management judgements made in the preparation of these financial statements are:

- The evaluation of the recoverability of deferred tax assets (see note 5), which depends on the assessment of the probability that there will be sufficient appropriate taxable profits available in the future against which to realise them.
- Within revenue there are key judgements made by management in terms of revenue recognition. The Company uses a percentage of completion method to measure supplier revenues earned under sales and marketing agreements, incentive arrangements and distribution and usage agreements.
- the treatment of items considered as being exceptional and consequent disclosure (note 4); and

#### **Risk Management Policy**

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. Risk management is carried out by the Group's central treasury department (Group Treasury), under policies approved by the Board of Directors. Group Treasury identifies and evaluates financial risks. The treasury policy does not allow transactions of a speculative nature.

#### *Business risks*

The Company operates in a highly competitive market and may not react adequately to changes in the corporate travel market including general economic downturns, terrorism, the fear of terrorism, travel industry strikes, fuel price escalation, natural disasters, health pandemics or similar events that could reduce revenue. Revenue may also be affected materially if the Company is unable to secure new or renew existing contracts. Client contracts are generally non-exclusive and many generate fees on a per transaction and/or fixed fee basis. The Company has sought to mitigate these risks by having a proportion of its managed clients operating under a direct cost pass through basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Financial risks*

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The Directors manage the strategy regarding credit, liquidity and market risks by ensuring, where appropriate, secure and flexible facilities are maintained from a variety of sources. The Directors utilise the treasury function and its policies within the parent company, GBT III BV, to ensure that the Company's exposure to these risks is minimised.

The treasury policy and foreign exchange risk management policy includes avoiding transactions of a speculative nature.

The treasury function of the parent company, GBT III BV, arranges central borrowings facilities and maintains local banking relationships to enable it to meet payment obligations as they fall due, taking into account information from its cash forecasts and business plans.

#### *Credit risk*

The Company's principal financial assets are bank balances and cash, and trade and other receivables which represent the Company's potential exposure to credit risk.

The Company's policy is to assess the status of its clients before accepting any credit exposure and to monitor the credit-worthiness of its existing clients on a regular basis. This policy has been applied throughout the period covered by these financial statements. The Company has no significant concentration of credit risk, with exposure spread over a large number of clients.

Trade receivables and other receivables include amounts arising on the settlement of transactions entered into by the Company's clients with respect to which the Company is acting as agent. These balances are generally due for settlement within one month or less of ticketing of the transaction, frequently with a mechanism of automated payments (for example, direct debits or the charging of amounts due to credit card operators). In some cases, the terms of payments provide for the Company to receive penalty interest on late settlements.

#### *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the nature of the underlying business, the central treasury function aims to maintain flexibility in funding by keeping committed credit lines available.

#### *Market risk: currency risk*

Transaction exposure within the Company is not significant, with most transactions denominated in the functional currency.

#### *Interest rate risk*

Interest rate risk is not significant as the Company has no external loans.

### 2 Segmental information

The Company's activities consist of one primary segment which is the provision of travel management, expense and data management underpinned by proprietary technology. These services are provided entirely in the United Kingdom.

## Notes (continued)

### 3 Administrative costs - staff costs

	9 months ended 31 Dec 2018	Year ended 31 March 2018
<b>Staff costs</b>		
Wages and salaries	21,187,234	28,812,242
Social security costs	2,027,480	2,896,805
Share-based incentive costs	-	402,071
Other pension costs (note 14)		
- Defined contribution scheme	1,439,870	1,920,603
- Contributions paid to defined benefit scheme	6,339,008	4,433,555
	<b>30,993,592</b>	<b>38,465,276</b>

During the period none of the Directors received any remuneration in respect of services to this Company, as their services were considered incidental to their other services in the Group (being GBT III BV from 19<sup>th</sup> July 2018 and Hogg Robinson Group plc prior to 19<sup>th</sup> July 2018) (March 2018: £nil). It is not possible to determine specific allocations for their services rendered to this company.

The emoluments of D J C Radcliffe, M N Maher, W F Brindle, and N Northridge are disclosed in the annual report of Hogg Robinson Group Limited. The amount paid to I Windsor is in respect of his role as an employee of Hogg Robinson Limited and not in respect of his role as a Director of the Company. Retirement benefits accrued to one Director (March 2018: one) under a defined benefit scheme.

All staff costs were recharged from Hogg Robinson Limited, a fellow group company. This included a share-based incentive expense of £nil (March 2018: £1,063,822) in relation to the recharged individuals who have an interest in Group share-based incentive schemes.

The average monthly number of employees (excluding Executive Directors) whose costs were recharged was:

	9 months ended 31 Dec 2018	Year ended 31 March 2018
	Number	Number
<b>By activity:</b>		
Selling and operations	950	1,015
Administration	80	85
	<b>1,030</b>	<b>1,100</b>

## Notes (continued)

### 4 Operating profit

Operating profit is stated after charging/(crediting):

	9 months ended 31 Dec 2018	Year ended 31 March 2018
	£	£
<b>Amortisation of intangible assets in the period</b>	<b>233,361</b>	<b>274,969</b>
<b>Depreciation charge for the period:</b>		
Tangible fixed assets	479,780	873,898
<b>Operating lease rentals:</b>		
Buildings	1,716,217	2,229,262
Other assets	61,535	91,132
<b>Auditors' remuneration:</b>		
Auditors' remuneration – audit services	139,000	96,000
Other assurance services	15,000	4,000
<b>Exceptional items:</b>		
Sale of business to GBT Holdings	-	1,447,437
Impairment of Intangible assets	2,318,584	
<b>Restructuring costs:</b>		
Redundancy	605,253	1,081,082
Onerous lease provision	9,825	(29,108)

Fees paid to the Company's auditors, KPMG LLP and its associates for services other than statutory audit of the Company, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, GBT III BV. The group financial statements are required to comply with the statutory disclosure requirements.

#### Exceptional items

In connection with the sale of Hogg Robinson Group plc to GBT Holdings, software assets were impaired at a cost of £2,281,911 and goodwill assets impaired at a cost of £36,673 due to strategic direction change under the new owners (31 March 2018: additional share based incentive costs and wages and salaries costs of £1,447,437 were incurred).

Restructuring costs of £615,077 (March 2018: £1,051,974) were incurred during the period relating to planned cost reduction programmes. They are in respect of redundancy costs and onerous lease provisions.

## Notes (continued)

### 5 Income tax expense

	9 months ended 31 Dec 2018	Year ended 31 March 2018
	£	£
<b>Current tax:</b>		
UK corporation tax at 19% (March 2018: 19%)	143,452	181,983
Overseas tax	7,298	19,072
Adjustments in respect of previous periods	(133,451)	(507,159)
	<u>17,299</u>	<u>(306,104)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	25,397	(26,258)
Adjustments to estimated amounts arising in prior periods	43,279	56,274
<b>Tax on loss/(profit) on ordinary activities</b>	<u>85,975</u>	<u>(276,088)</u>

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

The tax assessed for the period differs (March 2018: differs) than the standard rate of corporation tax in the UK of 19% (March 2018: 19%). The differences are explained below:

	9 months ended 31 Dec 2018	Year ended 31 March 2018
	£	£
<b>(Loss)/Profit before taxation</b>	<u>(405,223)</u>	<u>4,852,143</u>
Profit before taxation multiplied by the standard rate in the UK of 19% (March 2018: 19%)	(76,992)	921,907
Effects of:		
Group relief not paid for	(333,187)	(1,180,060)
Expenses not deductible for tax purposes	583,402	429,862
Adjustments in respect of previous periods	(90,172)	(450,886)
Overseas tax rate differential	5,911	-
Other items	(2,987)	3,089
<b>Total tax credit/(charge) for the period</b>	<u>85,975</u>	<u>(276,088)</u>

## Notes (continued)

### 5 Income tax expense (continued)

The Company has recognised the following deferred tax assets:

	9 months ended 31 Dec 2018			Year ended 31 March 2018		
	Greater than one year £	Less than one year £	Total £	Greater than one year £	Less than one year £	Total £
Accelerated capital allowances	371,160	-	371,160	438,239	-	438,239
Other temporary differences	24,006	-	24,006	25,603	-	25,603
	<b>395,166</b>	<b>-</b>	<b>395,166</b>	<b>463,842</b>	<b>-</b>	<b>463,842</b>

#### Movement in deferred tax balance:

	9 months ended 31 Dec 2018 £	Year ended 31 March 2018 £
At 1 April	463,842	493,858
Charge to the Income Statement	(68,676)	(30,016)
<b>At 31 Dec/ 31 March</b>	<b>395,166</b>	<b>463,842</b>

A deferred tax asset has been recognised in respect of accelerated capital allowances and other timing differences as the directors believe that it is more likely than not that there will be suitable profits in the future against which these assets may be offset.

There are no unrecognised deferred tax assets (31 March 2018: £nil).

In the UK changes to the main rate of corporation tax substantively enacted last year will reduce the main rate from 19% to 17% effective from 1 April 2020. Deferred tax balances are measured at the rate corresponding to the year that they are expected to reverse.

**Notes (continued)**

**6 Intangible assets**

	<b>Goodwill</b>	<b>Computer software externally acquired</b>	<b>Computer software internally generated</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>				
At 1 April 2018	151,750	1,345,530	-	1,497,280
Additions	-	178,075	2,281,911	2,459,986
Impairment	-	-	-	-
<b>At 31 December 2018</b>	<b>151,750</b>	<b>1,523,605</b>	<b>2,281,911</b>	<b>3,957,266</b>
<b>Accumulated amortisation:</b>				
At 1 April 2018	(115,077)	(772,490)	-	(887,567)
Charge for the period	-	(233,361)	-	(233,361)
Impairment	(36,673)	-	(2,281,911)	(2,318,584)
<b>At 31 December 2018</b>	<b>(151,750)</b>	<b>(1,005,851)</b>	<b>(2,281,911)</b>	<b>(3,439,512)</b>
<b>Carrying amount:</b>				
<b>At 31 December 2018</b>	<b>-</b>	<b>517,754</b>	<b>-</b>	<b>517,754</b>
At 31 March 2018	36,673	573,040	-	609,713

**Notes** *(continued)*

**7 Tangible assets**

	<b>Leasehold property £</b>	<b>Leased plant &amp; equipment £</b>	<b>Owned plant &amp; equipment £</b>	<b>Total £</b>
<b>Cost:</b>				
At 1 April 2018	3,114,061	130,531	5,375,188	8,619,780
Additions	38,079	-	49,294	87,373
Disposals	-	-	-	-
<b>At 31 December 2018</b>	<b>3,152,140</b>	<b>130,531</b>	<b>5,424,482</b>	<b>8,707,153</b>
<b>Accumulated depreciation:</b>				
At 1 April 2018	(2,494,221)	(130,531)	(4,792,729)	(7,417,481)
Charge for the period	(164,413)	-	(315,367)	(479,780)
Disposals	-	-	-	-
<b>At 31 December 2018</b>	<b>(2,658,634)</b>	<b>(130,531)</b>	<b>(5,108,096)</b>	<b>(7,897,261)</b>
<b>Net book value:</b>				
<b>At 31 December 2018</b>	<b>493,506</b>	<b>-</b>	<b>316,386</b>	<b>809,892</b>
At 31 March 2018	619,840	-	582,459	1,202,299



## Notes (continued)

### 8 Investments

	Other unlisted investments £	Subsidiary companies £	Total £
<b>Cost and net book value:</b>			
As at 1 April and 31 December 2018	1	1,266,000	1,266,001

	Other unlisted investments £	Subsidiary companies £	Total £
<b>Cost and net book value:</b>			
Business Travel International BV	1	-	1
Hogg Robinson Money Matters Limited	-	1,266,000	1,266,000
As at 1 April and 31 December 2018	1	1,266,000	1,266,001

All investments are unlisted. The Directors consider that the fair value of all investments is not less than the carrying value. Details of any indirect investments are disclosed below.

The interests in the subsidiary companies are:

Name of company	Class of shares held	Proportion held 31 Dec 2018	Proportion held 31 March 2018
<b>Holding companies</b>			
Hogg Robinson Money Matters Limited	Ordinary	100%	100%
<b>Dormant companies</b>			
Powerwaves Limited	Ordinary	100%	100%
Worldmark Travel Limited	Ordinary	100%	100%

All companies are incorporated in the United Kingdom and have registered office of Spectrum Point, 279 Farnborough Road Farnborough GU14 7NJ.

The interest in the unlisted investment is:

Name of company	Class of shares held	Proportion held 31 Dec 2018	Proportion held 31 March 2018
Business Travel International BV	Ordinary	50%	50%

This company is incorporated in the Netherlands and its principal activity is travel management. The registered office is Westblaak 89, Rotterdam, Netherlands.

**Notes** *(continued)*

**9 Trade and other receivables**

	As at 31 Dec 2018	As at 31 Mar 2018
	£	£
<b>Amounts falling due within one year</b>		
Trade receivables	11,868,257	18,815,495
Amounts owed by group undertakings	72,116,833	74,110,941
Other receivables	538,685	672,048
Prepayments and accrued income	8,503,219	9,225,996
Corporation tax (note 5)	-	65,322
	<b>93,026,994</b>	<b>102,889,802</b>
<b>Amounts falling due after more than one year</b>		
Deferred tax asset (note 5)	395,166	463,842
<b>Total receivables</b>	<b>93,422,160</b>	<b>103,353,644</b>

Amounts owed by group undertakings falling due within one year are of a general commercial trading nature and are unsecured, interest free and payable on demand.

Trade receivables represent the gross settlement receivable, being the service fee and the cost of the service (net of any provision). The provision for bad debts was £60,295 (March 2018: £2,557).

## Notes (continued)

### 10 Creditors: amounts falling due within one year

	As at 31 Dec 2018	As at 31 Mar 2018
	£	£
Trade creditors	17,187,562	36,354,151
Amounts owed to group undertakings	7,485,878	16,994,496
Corporation tax	41,746	-
Other creditors	1,342,928	1,418,732
Accruals and deferred income	1,990,491	2,571,971
	<b>28,048,605</b>	<b>57,339,350</b>

Amounts owed to group undertakings are of a general commercial trading nature and are unsecured, interest free and payable on demand.

### 11 Provisions for liabilities

	Dilapidations	Reorganisation	Onerous contracts	Total
	£	£	£	£
At 1 April 2018	1,319,630	153,953	100,000	1,573,583
Additional provisions in period	-	662,040	9,825	671,865
Unused provisions reversed	-	(24,740)	-	(24,740)
Utilised in the period	-	(257,993)	(9,825)	(267,818)
At 31 December 2018	<b>1,319,630</b>	<b>533,260</b>	<b>100,000</b>	<b>1,952,890</b>

#### Dilapidations

The dilapidations provision relates to the anticipated cost to restore leasehold properties to their original condition upon vacating them where such an obligation exists under the lease. The provision will be utilised at the end of the leases (with all significant leases expiring between the balance sheet date and March 2030) if they are not renewed.

#### Reorganisation

Reorganisation provision represents redundancy costs.

#### Onerous contracts

The onerous contracts provision represents the present value of the minimum unavoidable cost. This provision will be fully utilised by March 2030 (with all significant leases expiring between the balance sheet date and March 2030).

## Notes (continued)

### 12 Called up share capital

	As at 31 Dec 2018	As at 31 Mar 2018
	£	£
<b>Authorised</b>		
60,000,000 (March 2018: 60,000,000) Ordinary shares of £1 each	60,000,000	60,000,000
<b>Issued, called up and fully paid</b>		
56,570,778 (March 2018: 56,570,778) Ordinary shares of £1 each	56,570,778	56,570,778

### 13 Pension commitments

#### *Hogg Robinson Stakeholder Pension Scheme*

The Hogg Robinson Stakeholder Pension Plan ('The Plan') is a defined contribution scheme open to all employees subject to certain conditions. The Company pays contributions at a rate between 2% and 8% of basic salary of participating employees.

Contributions to the Plan for the period ended 31 December 2018 amounted to £503,611 (March 2018: £506,052). No amounts were prepaid or accrued at the balance sheet date (March 2018: £nil).

#### *Hogg Robinson (1987) Pension Scheme*

The Hogg Robinson (1987) Pension Scheme (the Scheme) is a defined benefit scheme for employees of the Hogg Robinson Group in the United Kingdom. The assets of the Scheme are held in a separate fund administered by Trustees. Contributions to the Scheme are agreed with the Trustees on the basis of actuarial advice.

Defined benefit accounting has not been applied in these financial statements because the Scheme is managed and valued only as a group obligation as presented in the financial statements GBT Travel Services UK Limited following the acquisition of Hogg Robinson Group Limited by GBT Holdings Limited, and Hogg Robinson Limited prior to the acquisition, and therefore it is not possible to identify the Company's share of the underlying assets and liabilities of the scheme. Although there is an allocation of contributions paid into the Scheme between participating companies calculated on the basis of pensionable salaries of active members for tax purposes, this is not considered an appropriate method on which to split the assets and liabilities of the Scheme due to the high level of deferred and retired members.

The Scheme was closed to new members in March 2003, with its benefits based on final pensionable salary. Since March 2003 the increase in final pensionable salary is limited to the lower of the increase in inflation and 5% per annum. The Scheme was closed to future accrual from 30 June 2013 following a consultation process with active members. The Company's contributions to the Scheme amounted to £6,339,008 (March 2018: £4,433,555) in relation to the defined benefit part of the Scheme and £936,258 (March 2018: £1,414,551) in relation to the defined contribution part of the Scheme.

Following the most recent triennial valuation, effective from April 2017, the Trustees agreed that Hogg Robinson Group Limited would make deficit reduction payments totalling £15m for the year ending 31 March 2019. The weighted average duration of the defined benefit obligation is 22 years.

The Scheme was valued in accordance with the International Financial Reporting Standard IAS19 as at 31 December 2018 with an obligation presented in the financial statements of GBT Travel Services UK Limited of £226.7m (March 2018: £238.4m).

## Notes (continued)

### 14 Operating leases

Outstanding commitments for future minimum lease payments as follows:

	As at 31 Dec 2018	As at 31 Mar 2018
	£	£
Due within one year	2,387,381	2,422,685
Between one and five years	2,359,612	3,965,390
After five years	81,475	80,149
Total commitment	4,828,468	6,468,224

Operating lease commitments mainly represent arrangements for the occupation of office properties. Property leases are arranged taking into account local market conditions to secure the use of offices with economical rentals. At 31 December 2018, on average, property leases had 3.0 years to run (March 2018: 3.0 years).

### 15 Capital commitments

Capital expenditure of £nil has been contracted for and authorised at 31 December 2018 for fixtures, fittings and equipment (March 2018: £nil).

### 16 Immediate and ultimate parent company and parent company of larger group

The immediate parent company is Hogg Robinson Limited.

The ultimate parent company and controlling party until 18 July 2018 was Hogg Robinson Group Limited, formerly known as Hogg Robinson Group plc. Following the acquisition of Hogg Robinson plc on 19 July 2018, by Global Business Travel Holdings Limited, the ultimate parent company and controlling party changed to GBT III BV, incorporated in the Netherlands, and is the smallest and largest group to consolidate these financial statements. The GBT III BV annual accounts are available from Hoogoorddreef 15, Atlas-Arena Amsterdam Zuidoost, Noord-Holland, 1101 BA, The Netherlands and UK Companies House. The Company's ultimate controlling parties are American Express and Juweel, who formed a joint venture on 30th June 2014 on a 50/50 ownership in ordinary shares of the company.

### 17. Changes in accounting policies

The company has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the company has adopted the new rules in accordance with the cumulative effect method of initially applying this Standard recognised at the date of initial application of 1 April 2018 and has recognised the cumulative effect of initially applying this Standard as an adjustment to the opening balances of equity at 1 April 2018. Therefore, the comparative information has not been restated.

The revenue adjustments relate to income accrued under the matching principle under the previous GAAP, but under IFRS 15 this income is not accrued due to the control of the service not having passed to the customer and therefore the performance obligation is not achieved at the balance sheet date.

**Notes (continued)**

**17. Changes in accounting policies (continued)**

In summary, the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application of 1 April 2018:

Statement of Financial position (extract)	At 31 March 2018 as reported £	IFRS 15 adjustments £	At 1 April 2018 restated £
<b>Current Assets</b>			
<b>Trade and other receivables: Amounts falling due within one year</b>			
Prepayments and accrued income	9,225,996	(1,037,546)	8,188,450
Other	118,787,986	-	118,787,986
<b>Total Current Assets</b>	<b>128,013,982</b>	<b>(1,037,546)</b>	<b>126,976,436</b>
<b>Capital and reserves</b>			
Retained Earnings	10,611,062	(1,037,546)	9,573,516
Other	61,568,000	-	61,568,000
<b>Total shareholders' funds</b>	<b>72,179,062</b>	<b>(1,037,546)</b>	<b>71,141,516</b>

The impact on the company's retained earnings as at 1 April is as follows:

	1 April 2018 £	1 April 2017 £
<b>Amounts falling due within one year</b>		
Retained earnings at 1 April	10,611,062	5,482,831
Decrease to revenue – derecognition of earnings from adoption of IFRS 15	(1,037,546)	-
<b>Restated retained earnings at 1 April</b>	<b>9,573,516</b>	<b>5,482,831</b>

**Notes** *(continued)*

**17. Changes in accounting policies (continued)**

The following tables summarise the impact of adopting IFRS 15 on these financial statements in the period ending 31 December 2018.

	Balances without adoption of IFRS 15 £	IFRS 15 adjustments £	31 Dec 2018 as reported £
<b>Profit and Loss Account and Other Comprehensive Income (extract)</b>			
Revenue	52,459,427	(123,695)	52,335,732
Tax on profit	(85,975)	-	(85,975)
Other	(52,740,955)	-	(52,740,955)
Profit and total comprehensive income for the period	(367,503)	(123,695)	(491,198)

**Statement of Financial position (extract)**

**Current Assets**

**Trade and other receivables: Amounts falling due within one year**

Prepayments and accrued income	9,664,460	(1,161,241)	8,503,219
Other current assets	89,554,947	-	89,554,947
Total Current Assets	99,199,407	(1,161,241)	98,058,166

**Capital and reserves**

Retained Earnings	10,243,559	(1,161,241)	9,082,318
Other	61,568,000	-	61,568,000
Total shareholders' funds	71,811,559	(1,161,241)	70,650,318