

Company Registration No. 2643040 (England and Wales)

EXPOTEL HOTEL RESERVATIONS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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EXPOTEL HOTEL RESERVATIONS LIMITED

COMPANY INFORMATION

Directors	S J S Mayall on behalf of Capita Corporate Director Limited T C Richards J Parkhouse A J Hardy	(Appointed 1 February 2013) (Appointed 23 July 2013) (Appointed 12 June 2013)
Secretary	Capita Group Secretary Limited	
Company number	2643040	
Registered office	17 Rochester Row London SW1P 1QT	
Auditors	KPMG Audit Plc 15 Canada Square London E14 5GL	
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP	
Solicitors	Herbert Smith Freehills Exchange House Primrose Street London EC2A 2HS	

EXPOTEL HOTEL RESERVATIONS LIMITED

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EXPOTEL HOTEL RESERVATIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present the strategic report and financial statements for the year ended 31 December 2013.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operated within the group's Workplace Services division.

The principal activity of the company continued to be that of providing hotel, travel and conference venue and event management services to corporate and government clients. As the business, trade and assets of the company transfer on 1 January 2014, the company will no longer continue to trade, from this date and therefore has not been prepared on a going concern basis.

As shown in the company's profit and loss account on page 5, the company's turnover has decreased from £14,939,516 for the 14 months to 31 December 2012 to £10,149,667 for the 12 month period to 31 December 2013 and operating loss of £8,681,232 to a operating profit of £3,653,194.

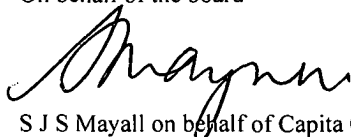
The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have increased from £669,256 net liabilities to net assets of £2,628,385. Details of the amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 11 and 12 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 at a divisional level. The performance of the Workplace Services division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited

Director

27 June 2014

EXPOTEL HOTEL RESERVATIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Results and dividends

The results for the year are set out on page 6.

No dividend was paid during the year (14 months to 31 December 2012: £nil).

Post balance sheet events

On 1 January 2014 the business, trade and assets of the company were transferred to Capita Travel & Events Limited at net book value. This transaction was settled via intercompany.

Directors

The following directors have held office since 1 January 2013, unless otherwise stated:

S J S Mayall on behalf of Capita
Corporate Director Limited

R J Shearer	(Resigned 11 November 2013)
T C Richards	(Appointed 1 February 2013)
P M Smith	(Resigned 1 February 2013)
J Parkhouse	(Appointed 23 July 2013)
A J Hardy	(Appointed 12 June 2013)

	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
Charitable donations		
During the year the company made the following payments:		
Charitable donations	259	297

Auditors

KPMG Audit Plc have notified the company that they are not seeking re-appointment to facilitate the orderly wind down of the business of KPMG Audit Plc. It is proposed that the parent entity, KPMG LLP, are appointed as auditors of the company.

EXPOTEL HOTEL RESERVATIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of directors' responsibilities

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).

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:

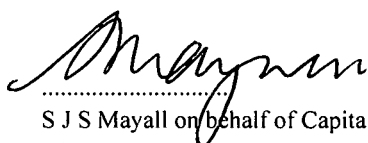
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- as explained in note 1.1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

The directors are responsible for keeping proper 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 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.

Qualifying 3rd 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



S J S Mayall on behalf of Capita Corporate Director Limited

Director

27 June 2014

EXPOTEL HOTEL RESERVATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EXPOTEL HOTEL RESERVATIONS LIMITED

We have audited the financial statements of Expotel Hotel Reservations Limited for the year ended 31 December 2013 set out on pages 6 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). 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.*

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements which explains that the financial statements are not prepared on the going concern basis for reasons set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EXPOTEL HOTEL RESERVATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF EXPOTEL HOTEL RESERVATIONS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Victoria Rogers

Victoria Rogers (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

27 June 2014
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EXPOTEL HOTEL RESERVATIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

		12 Months ended 31 December 2013	14 Months ended 31 December 2012
	Notes	£	£
Turnover	2	10,149,667	14,939,516
Administrative expenses		(6,476,419)	(12,374,541)
Exceptional Items	3	-	(11,231,496)
Other operating income		(20,054)	(14,711)
Operating profit/(loss)	4	3,653,194	(8,681,232)
Other interest receivable and similar income	5	8,514	10,573
Interest payable and similar charges	6	(8,993)	(10,868)
Loss on disposal of tangible fixed assets		-	(1,298,828)
Profit/(loss) on ordinary activities before taxation		3,652,715	(9,980,355)
Tax on profit/(loss) on ordinary activities	7	(355,074)	307,425
Profit/(loss) for the year	15	3,297,641	(9,672,930)

The profit and loss account has been prepared on the basis that all operations are discontinuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

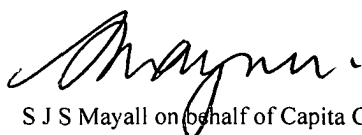
EXPOTEL HOTEL RESERVATIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

		2013	2012
	Notes	£	as restated £
Fixed assets			
Tangible assets	8	296,682	333,320
Investments	9	1,053,030	1,053,030
		<u>1,349,712</u>	<u>1,386,350</u>
Current assets			
Debtors	10	39,073,444	27,735,176
Cash at bank and in hand		5,764,364	-
		<u>44,837,808</u>	<u>27,735,176</u>
Creditors: amounts falling due within one year	11	(43,129,016)	(28,606,752)
Net current assets/(liabilities)		<u>1,708,792</u>	<u>(871,576)</u>
Total assets less current liabilities		<u>3,058,504</u>	<u>514,774</u>
Provisions for liabilities	12	(430,119)	(1,184,030)
		<u>2,628,385</u>	<u>(669,256)</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Other reserves	15	5,038,791	5,038,791
Profit and loss account	15	(2,411,406)	(5,709,047)
Shareholders' funds	16	<u>2,628,385</u>	<u>(669,256)</u>

Approved by the Board and authorised for issue on 27 June 2014



S J S Mayall on behalf of Capita Corporate Director Limited
Director

Company Registration No. 2643040

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Following the transfer of the business trade and assets on 1 January 2014, the company will cease to trade. For this reason, and as required by FRS 18.21, the directors have prepared the financial statements on the basis that the company is no longer a going concern.

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, Capita plc, has prepared a group cashflow statement in accordance with FRS1 (revised).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised on the basis of Agent rather than Principal and is the value of commission earned and fees charged to clients for the services provided. Commission income is recognised in the month of arrival.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets 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:

Leasehold improvement	15% on cost
Computer equipment	25% - 33% on cost
Fixtures, fittings & equipment	Between 15% and 20% on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

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

1.7 Pensions

The company operates defined contribution pension schemes and contributions are charged to the profit and loss account in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the company.

The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, which pays the group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that company.

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

(Continued)

1.8 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

1.9 Foreign currency translation

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.

1.10 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 exempt from the requirement to do so by section 400 of 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.

1.11 Related party transactions

The company has taken advantage of the exemption under FRS 8: Related Party Disclosures not to disclose transactions entered into between two or more members of Capita plc, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

2 Turnover

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

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

3 Exceptional Costs

	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
Goodwill impairment	-	4,123,596
Restructuring costs	-	5,463,560
Dilapidations and onerous lease provisions	-	1,125,387
Redundancy and tribunal costs	-	465,690
Professional fees	-	53,263
	<u>-</u>	<u>11,231,496</u>

4 Operating profit/(loss)

	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	-	4,123,596
Depreciation of tangible assets	162,268	762,592
Loss on foreign exchange transactions	20,054	14,711
Operating lease rentals		
- Plant and machinery	40,075	74,009
- Other assets	-	308,606
Fees payable to the company's auditor for the audit of the company's annual accounts	-	52,500
	<u>-</u>	<u>52,500</u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £3,000 (2012: £nil). The company has taken advantage of the exemption provided by regulation 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 group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
5 Investment income		
Bank interest	8,514	10,573
	<u>8,514</u>	<u>10,573</u>
	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
6 Interest payable		
On bank loans and overdrafts	90	8,875
Lease finance charges	8,903	1,993
	<u>8,993</u>	<u>10,868</u>

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
7 Taxation		
Domestic current year tax		
U.K. corporation tax	187,275	-
Adjustment for prior years	(122,084)	-
Total current tax	<u>65,191</u>	<u>-</u>
Deferred tax		
Deferred tax charge/credit current year	489,696	(307,425)
Deferred tax adjust re previous year	(199,813)	-
	<u>289,883</u>	<u>(307,425)</u>
	<u>355,074</u>	<u>(307,425)</u>
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	<u>3,652,715</u>	<u>(9,980,355)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)	<u>849,256</u>	<u>(2,445,187)</u>
Effects of:		
Non deductible expenses	1,814	1,259,968
Depreciation in excess of capital allowances	-	251,047
Other timing differences	(236,637)	305,264
Tax losses utilised	(301,392)	-
Adjustments to previous periods	(122,084)	-
Capital allowances in excess of depreciation	(125,766)	-
Tax losses carried forward	-	628,908
	<u>(784,065)</u>	<u>2,445,187</u>
Current tax charge for the year	<u>65,191</u>	<u>-</u>

The UK corporation tax rate decreased from 23% to 21% from 1 April 2014 and will decrease from 21% to 20% from 1 April 2015. The deferred tax balance has been adjusted in the current year to reflect the reduction to 20% (as these changes were enacted as at the balance sheet date) resulting in a rate change charge/credit to the profit and loss account of £131,190 which is included in the current year deferred tax charge.

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

8 Tangible fixed assets

	Leasehold improvement	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2013	43,941	383,435	259,586	686,962
Additions	80,051	45,579	-	125,630
Disposals	(20,800)	(162,146)	(12,207)	(195,153)
	<u>103,192</u>	<u>266,868</u>	<u>247,379</u>	<u>617,439</u>
At 31 December 2013	103,192	266,868	247,379	617,439
Depreciation				
At 1 January 2013	27,961	207,076	118,605	353,642
On disposals	(20,800)	(162,146)	(12,207)	(195,153)
Charge for the year	13,437	98,784	50,047	162,268
	<u>20,598</u>	<u>143,714</u>	<u>156,445</u>	<u>320,757</u>
At 31 December 2013	20,598	143,714	156,445	320,757
Net book value				
At 31 December 2013	<u>82,594</u>	<u>123,154</u>	<u>90,934</u>	<u>296,682</u>
At 31 December 2012	<u>15,980</u>	<u>176,359</u>	<u>140,981</u>	<u>333,320</u>

The above tangible fixed assets are deemed to be current assets as the financial statements have not been prepared on a going concern basis.

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2013 & at 31 December 2013	1,053,030
Net book value	
At 31 December 2013	1,053,030
At 31 December 2012	1,053,030

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%	Principal activity
Subsidiary undertakings				
NIS Europe Limited	England	Ordinary	100.00	Dormant
Latemeetings.com Limited	England	Ordinary	100.00	Dormant

The above investments are deemed to be current assets as the financial statements have not been prepared on a going concern basis.

10 Debtors	2013 £	2012 £ as restated
Trade debtors	7,208,151	11,040,716
Amounts owed by parent and fellow subsidiary undertakings	29,800,126	13,827,283
Other debtors	557,914	-
Prepayments and accrued income	632,653	1,702,694
Deferred tax asset (see note 12)	874,600	1,164,483
	39,073,444	27,735,176

The 2012 amounts owed by parent and fellow subsidiary undertakings, other debtors, amounts owed to parent and fellow subsidiary undertakings and other creditors have been restated in order to reclassify amounts based on their nature.

As a result of this change, amounts owed by parent and fellow subsidiary undertakings has increased by £7,977,283, other debtors has reduced by £5,671,149, amounts owed to parent and fellow subsidiary undertakings has increased by £1,969,677 and other creditors has increased by £336,457. The adjustment had no effect on either the net assets or the profit for the prior year.

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

11 Creditors: amounts falling due within one year	2013 £	2012 £ as restated
Bank loans and overdrafts	-	771,696
Trade creditors	9,041,762	11,718,885
Amounts owed to parent and fellow subsidiary undertakings	25,713,951	6,720,120
Corporation tax	187,275	-
Other taxes and social security costs	457,620	467,010
Other creditors	-	416,170
Accruals and deferred income	7,728,408	8,512,871
	<u>43,129,016</u>	<u>28,606,752</u>

The 2012 amounts owed by parent and fellow subsidiary undertakings, other debtors, amounts owed to parent and fellow subsidiary undertakings and other creditors have been restated in order to reclassify amounts based on their nature.

As a result of this change, amounts owed by parent and fellow subsidiary undertakings has increased by £7,977,283, other debtors has reduced by £5,671,149, amounts owed to parent and fellow subsidiary undertakings has increased by £1,969,677 and other creditors has increased by £336,457. The adjustment had no effect on either the net assets or the profit for the prior year.

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

12 Provisions for liabilities

	Other £
Balance at 1 January 2013	1,184,030
Profit and loss account	(753,911)
Balance at 31 December 2013	<u>430,119</u>

Other provisions are made up of dilapidation provisions and onerous lease provisions.

Dilapidation provisions are made where a legal obligation is identified and the liability can be reasonably quantified.

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2013 £	
Balance at 1 January 2013	(1,164,483)	
Profit and loss account	289,883	
Balance at 31 December 2013	<u>(874,600)</u>	

	2013 £	2012 £
Decelerated capital allowances	(588,576)	(806,342)
Other timing differences	(286,024)	(358,141)
	<u>(874,600)</u>	<u>(1,164,483)</u>

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

13 Pension and other post-retirement benefit commitments

The company offers both defined benefit and defined contribution pension schemes.

Contributions in respect of the defined contribution schemes payable by the company during the year amounted to £78,814 (2012: £37,077).

The company is a member of The Capita Pension and Life Assurance Scheme (Capita scheme), a defined benefit scheme. The pension costs for the defined benefit scheme are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the projected unit credit method. The independent qualified scheme actuaries carried out the latest full valuation of the Capita scheme as at 6 April 2011 and the valuation was updated to 31 December 2013. Surpluses or deficits on the pension scheme arising from the actuarial valuation are spread over the average service lives of the members on a straight-line basis.

The pension charge for the defined benefit scheme for the year was £78,696 (2012: £33,454). The average employer contribution rate during 2013 across all Capita companies to final salary pension arrangements was approximately 20.4% pa (2012: 17.8%) of pensionable salaries including employee contributions made as part of a salary sacrifice scheme.

The major assumptions for the valuation at 31 December 2013 were as follows: rate of price inflation - RPI/CPI 3.3%/2.3% (2012: 2.9%/2.0%); rate of salary increase - 3.3% (2012 - 3.9%); rate of increase for pensions in payment - 3.2% (2012 - 2.9%); discount rate - 4.5% (2012 - 4.5%). The scheme assets at fair value at 31 December 2013 were (i) equities/hedged funds/absolute returns - £378.3m (2012: £407.3m); (ii) bonds - £216.6m (2012: £111.1m); (iii) property/US High Yield - £50.5m (2012: £92.5m); (iv) insurance contracts - £2.9m (2012: £6.2m); (v) cash/other - £27.9m (2012: £nil), totalling £676.2m (2012: £617.1m). The value of scheme liabilities was £764.3m (2012: £707.4m) indicating that The Capita scheme had a net liability of £88.1m (2012: net liability of £90.3m).

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent basis. In accordance with FRS 17, the company therefore accounts for contributions to the scheme as if it were a defined contribution scheme. The full disclosure is available in the consolidated accounts of Capita plc.

14 Share capital	2013 £	2012 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2013	5,038,791	(5,709,047)
Profit for the year	-	3,297,641
Balance at 31 December 2013	<u>5,038,791</u>	<u>(2,411,406)</u>

Other reserves

Capital redemption reserve

Balance at 1 January 2013 & at 31 December 2013

900,000

Capital contribution reserve

Balance at 1 January 2013 & at 31 December 2013

4,138,791

16 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit/(Loss) for the financial year	3,297,641	(9,672,930)
Opening shareholders' funds	(669,256)	9,003,674
Closing shareholders' funds	<u>2,628,385</u>	<u>(669,256)</u>

17 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Within one year	-	28,730	3,262	47,604
Between two and five years	139,467	72,412	3,346	10,008
In over five years	-	74,004	-	-
	<u>139,467</u>	<u>175,146</u>	<u>6,608</u>	<u>57,612</u>

EXPOTEL HOTEL RESERVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	12 month ended 31 December 2013 Number	14 month ended 31 December 2012 Number
Management and administration	241	288
Sales	5	15
	<u>246</u>	<u>303</u>

	12 month ended 31 December 2013 £	14 month ended 31 December 2012 £
Employment costs		
Wages and salaries	4,276,996	7,740,337
Social security costs	323,760	726,321
Other pension costs	158,509	187,844
	<u>4,759,265</u>	<u>8,654,502</u>

19 Directors' remuneration

The Directors' remunerations were borne by another subsidiary of Capita plc without recharge.

20 Control

The company's immediate parent is International Travel Group Limited, a company incorporated in England and Wales.

The company's ultimate parent is Capita plc, a company incorporated in England and Wales. The financial statements of Capita plc are available from the registered office at 71 Victoria Street, London SW1H 0XA.

21 Post balance sheet events

On 1 January 2014 the business, trade and assets of the company were transferred to Capita Travel & Events Limited at net book value. This transaction was settled via intercompany.