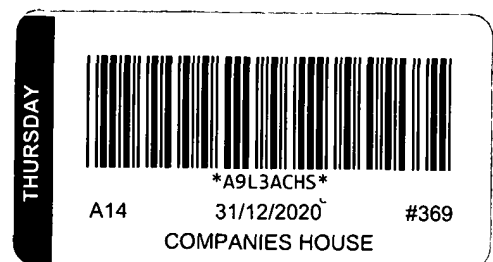


Hogg Robinson (Travel) Limited

Annual report and financial statements

Registered number 1284358

Year ended 31 December 2019



Contents

Strategic report	1
Directors' report	4
Statement of directors' responsibilities in respect of the annual report and the financial statements	6
Independent auditor's report to the members of Hogg Robinson (Travel) Limited	7
<i>Profit and Loss Account and Other Comprehensive Income</i>	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes	12

Strategic report

The Directors present their strategic report on Hogg Robinson (Travel) Limited (the "Company") for the year ended 31 December 2019.

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 year ended 31 December 2019 operating profit before exceptional items was £1.1m (9 months ended December 2018: £2.5m).

Revenue increased to £62.7m (9 months ended December 2018: £52.3m), reflecting the longer period of accounts. The number of employees assigned to the Company from fellow group undertakings decreased from 1,030 to 924. On a prorated basis, the revenue per assigned employee increased to £67.9k (9 months ended December 2018: £67.7k). The effect of the decrease in revenue (prorated revenue £69.8m) on operating profit was offset as the business has commenced the transition across to GBT Travel Services UK Limited and other fellow group companies and the cost base of the company has also reduced in reflection of the planned reduction in revenue.

The activities of the Company are not anticipated to materially change in the immediate future, although the volumes may vary with the economic climate and group structure.

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 74% of total operating expenses across the Company, revenue per employee is monitored as a measure of staff efficiency.

Significant event

The ultimate parent company and controlling party until 9 December 2019 was GBT III BV, a company incorporated in the Netherlands. Following the corporate group reorganisation on 10 December 2019, the Company's ultimate parent and controlling entity changed to GBT JerseyCo Limited, a company incorporated in Jersey, Channel Islands. Unless otherwise stated, all references to the ultimate parent company throughout this report refer to the position as at 31 December 2019.

Going concern and subsequent events

These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons outlined below.

For the year ended December 31, 2019, the Company reported an operating profit of £1.1 million (2018: loss of £0.4 million). As of December 31, 2019, the Company has net current assets of \$73.7 million (2018: £70.00 million).

The Company had a cash balance of \$12 million as of 31 December 2019. Further, the Company has obtained a letter of financial support from its ultimate parent, GBT JerseyCo Limited, to provide further funding, if required, to meet its liabilities as they fall due. GBT JerseyCo Limited has indicated its intention to provide additional financial support, if necessary, to enable the Company to meet its liabilities as they fall due. GBT JerseyCo Limited has indicated its intention to continue to provide such funds as are needed by the Company for the period covered by the forecasts (discussed below) and at the date of approval of these financial statements, the directors have no reason to believe that it will not do so.

Due to the spread of COVID-19, many countries imposed international and domestic travel restrictions, introduced lockdown measures and quarantine requirements. This impacted the travel and hospitality industry globally. The Company expects to make a net loss for 2020. In assessing the ability of the Company to continue as a going concern, the directors have made certain assumptions and estimates for forecasted operations and such assumptions may not materialize. In addition, the magnitude, duration and speed of recovery for the world from the global pandemic are uncertain. As a consequence, the group has considered multiple cash flow scenarios, including a

severe but plausible downside, which assumes limited revenues beyond those that relate to reimbursement of direct costs that are due to the group under its customer contracts, to determine its liquidity requirements for a period of 12 months. Such scenarios include impact of actions the group has taken and will take to improve its liquidity, including reduction in non-essential capital expenditure and operating expenses, restructuring initiatives (including voluntary and mandatory redundancies), salary reductions, access to government funding in its major operating territories (including furlough income) and pursuing financing transactions. Further, the group has indicated it would also consider additional cost reduction measures should they become necessary.

Based on the available liquidity, mitigation actions taken by the group, effective cash management, the letter of support from GBT JerseyCo Limited, the Company remains well positioned in the industry and maintains a financially stable outlook. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Corporate Governance

Section 172 Statement

Section 172 of the Companies Act 2006 requires the Board of directors (the "Board") to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard to the interests of stakeholders. In forming this section 172 statement, the Company has adopted a group approach. This group corporate governance statement is available from the financial statements of GBT UK TopCo Limited, the Company's intermediate parent undertaking, for the year ended 31 December 2019 filed with the UK Companies House.

Results

The profit for the financial period amounted to £1.7m (9 months ended December 2018: loss £0.5m) and has been transferred to reserves. No dividend was paid from reserves during the period (December 2018: £nil).

The net assets of the Company as at 31 December 2019 amounted to £72.3m (9 months ended December 2018: £70.7m).

There were no exceptional items in the year. However, in the prior period there were exceptional items relating to restructuring costs of £0.6m for planned cost reduction programmes in respect of redundancy costs and onerous lease provisions. Also in the prior period, there was £2.3m 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.

Financial reporting framework

The financial statements were prepared in accordance with Financial Reporting Standard ("FRS") 102 applicable in the UK and Republic of Ireland as issued in August 2014. This is a transition from FRS 101 in previous periods in order to align with other group companies. Note 17 to the Financial Statements contains details of the transition to FRS 102.

Principal risks and uncertainties

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.

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 group 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 group 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.

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.

Brexit

While the Company is headquartered in the United Kingdom, its operating activities are also spread out in other countries. As such, the Company's ability to provide services to its customers in the countries in which it operates, inside or outside the European Union, is unlikely to be significantly affected by Brexit. However, the Company continues to monitor matters that might affect the Company's operations should no agreement be reached between the UK and the EU before 31 December 2020.

By order of the Board



J M Geall
Director

22 December 2020

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2019. Please refer to the Strategic Report for the Directors' review of the current business and future developments and trading.

Dividends

The directors have not proposed a final dividend payment for the year ended 31 December 2019 (December 2018: £nil). No interim dividend was paid (December 2018: no dividend).

Directors

The Directors of the Company who served during the period ended 31 December 2019 and up to the date of signing these financial statements were as follows:

W F Brindle (resigned 31 July 2020)
J M Geall (appointed 19 February 2020)
S Varma (appointed 31 July 2020)
I M Windsor (resigned 19 February 2020)

Employees

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

The Company seeks to ensure employee commitment to its objectives in a number of ways. Director meetings are frequently held and in addition Directors and Senior management visit various clients on a regular basis. Regular meetings are held between local management and employees to allow a free flow of information and ideas. A wide range of information is also communicated across the Company intranet, including news publications, operational bulletins, and employee recognition. The financial performance of the Company is shared with employees, and they receive many employee benefits.

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

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. The principal risks are listed in the Strategic report.

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 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

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.

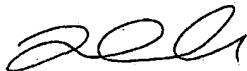
Other information

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



J M Geall
Director

5 Churchill Place,
Canary Wharf,
London,
E14 5HU
22 December 2020

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

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 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.

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.

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

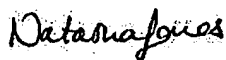
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Natasha Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

Gateway House

Tollgate

Chandlers Ford

Eastleigh

SO53 3TG

24 December 2020

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2019

	Notes	Year Ended 31 Dec 2019 £	9 Months Ended 31 Dec 2018 £
Revenue	2	62,685,122	52,335,732
Administrative costs - staff costs	3	(46,078,882)	(30,993,592)
Administrative costs – other		(15,551,805)	(21,749,392)
Total administrative costs		(61,630,687)	(52,742,984)
Operating profit/(loss)	4	1,054,435	(407,252)
Analysed as:			
Operating profit before exceptional items		1,054,435	2,526,410
Exceptional items	4	-	(2,933,662)
Operating profit/(loss)		1,054,435	(407,252)
Interest receivable		1,314	2,029
Profit/(Loss) before taxation		1,055,749	(405,223)
Tax on profit/(loss)	5	620,125	(85,975)
Profit/(Loss) and total comprehensive income/(loss) for the financial year/period		1,675,874	(491,198)

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

The notes on pages 12 to 28 are an integral part of these financial statements.

Balance Sheet
at 31 December 2019

	Note	As at 31 Dec 2019	As at 31 Dec 2018
		£	£
Fixed assets			
Intangible assets	6	427,542	517,754
Tangible assets	7	436,206	809,892
Investments	8	1,266,001	1,266,001
		<u>2,129,749</u>	<u>2,593,647</u>
Current assets			
Trade and other receivables: Amounts falling due within one year	9	102,126,141	93,026,994
Trade and other receivables: Amounts falling due after more than one year	9	482,604	395,166
Cash at bank and in hand		12,423,593	4,636,006
		<u>117,032,338</u>	<u>98,058,166</u>
Current liabilities			
Creditors: Amounts falling due within one year	10	(43,289,522)	(28,048,605)
Net current assets		<u>73,742,816</u>	<u>70,009,561</u>
Total assets less current liabilities		<u>73,872,565</u>	<u>72,603,208</u>
Provisions for liabilities	11	(1,546,373)	(1,952,890)
Net assets		<u>72,326,192</u>	<u>70,650,318</u>
Capital and reserves			
Called up share capital	12	56,570,778	56,570,778
Share premium account		4,997,222	4,997,222
Retained earnings		10,758,192	9,082,318
Total shareholders' funds		<u>72,326,192</u>	<u>70,650,318</u>

The notes on pages 12 to 28 are an integral part of these financial statements.

These financial statements were approved by the board of directors on 22 December 2020 and were signed on its behalf by:



J M Geall
Director

Company registered number: 1284358

Statement of Changes in Equity

	Attributable to equity holders of the Company			
	Called up Share capital £	Share Premium account £	Retained earnings £	Total shareholders' funds £
Balance at 1 January 2019	56,570,778	4,997,222	9,082,318	70,650,318
Profit and total comprehensive income for the financial year	-	-	1,675,874	1,675,874
Balance at 31 December 2019	56,570,778	4,997,222	10,758,192	72,326,192

	Attributable to equity holders of the Company			
	Called up Share capital £	Share Premium account £	Retained earnings £	Total shareholders' funds £
Restated balance at 1 April 2018	56,570,778	4,997,222	9,573,516	71,141,516
Loss and total comprehensive loss 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

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 and Wales in the UK. The registered number is 1284358 and the registered address is 5 Churchill Place, Canary Wharf, London, E14 5HU.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The company transitioned from FRS 101 to FRS 102 from 1 April 2018. In the transition to FRS 102 from Adopted IFRS, the Company has made no measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 17.

These financial statements were prepared in accordance with Financial Reporting Standard ("FRS") 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling.

The company transitioned from FRS 101 *Reduced Disclosure Framework* to FRS 102 from 1 April 2018. In the transition to FRS 102 from Adopted IFRS, the Company had no measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 17.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Separate financial instruments – carrying amount of the Company's cost of investment in subsidiary is its deemed cost at 1 April 2018.

The Company's parent undertaking, GBT UK Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of GBT UK Topco Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from 5 Churchill Place, Canary Wharf, London, E14 5HU. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of GBT UK Topco Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under Adopted IFRS for derecognition of financial assets and liabilities before the date of transition or accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.16.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

These financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons outlined below.

For the year ended December 31, 2019, the Company reported an operating profit of £1.1 million (2018: loss of £0.4 million). As of December 31, 2019, the Company has net current assets of £73.7 million (2018: £70.0 million).

The Company had a cash balance of \$12 million as of December 31. Further, the Company has obtained a letter of financial support from its ultimate parent, GBT JerseyCo Limited, to provide further funding, if required, to meet its liabilities as they fall due. GBT JerseyCo Limited has indicated its intention to provide additional financial support, if necessary, to enable the Company to meet its liabilities as they fall due. GBT JerseyCo Limited has indicated its intention to continue to provide such funds as are needed by the Company for the period covered by the forecasts (discussed below) and at the date of approval of these financial statements, the directors have no reason to believe that it will not do so.

Due to the spread of COVID-19, many countries imposed international and domestic travel restrictions, introduced lockdown measures and quarantine requirements. This impacted the travel and hospitality industry globally. The Company expects to make a net loss for 2020. In assessing the ability of the Company to continue as a going concern, the directors have made certain assumptions and estimates for forecasted operations and such assumptions may not materialize. In addition, the magnitude, duration and speed of recovery for the world from the global pandemic are uncertain. As a consequence, the group has considered multiple cash flow scenarios, including a severe but plausible downside, which assumes limited revenues beyond those that relate to reimbursement of direct costs that are due to the group under its customer contracts, to determine its liquidity requirements for a period of 12 months. Such scenarios include impact of actions the group has taken and will take to improve its liquidity, including reduction in non-essential capital expenditure and operating expenses, restructuring initiatives (including voluntary and mandatory redundancies), salary reductions, access to government funding in its major operating territories (including furlough income) and pursuing financing transactions. Further, the group has indicated it would also consider additional cost reduction measures should they become necessary.

Based on the available group liquidity, mitigation actions taken by the group, effective cash management, the letter of support from GBT JerseyCo Limited, the Company remains well positioned in the industry and maintains a financially stable outlook. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency (Sterling) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Financial instruments not considered to be Basic Financial Instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except for investments in equity instruments, that are not publicly traded and whose fair value cannot otherwise be measured reliably, are measured at cost less impairment.

1.6 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items of tangible assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership and the leased asset are classified as finance leases. All other leases are classified as operating leases.

The Company assesses at each reporting date whether tangible assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Plant and equipment 3 to 8 years
- Leasehold improvements shorter of 5 to 10 years or lease term

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Software 2.5 to 5 years
- Goodwill 10 years

Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Notes (continued)

1 Accounting policies (continued)

1.8 Impairment of financial and non-financial assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and compared to its carrying amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss. If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets i.e. cash-generating unit.

1.9 Employee benefits

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 plan. 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.

GBT Travel Services UK Limited is 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.

Hogg Robinson (1987) Pension Scheme

Under FRS 102, the Company is accounting for both the defined benefit and defined contribution 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 and not the balance sheet of this Company.

Notes (continued)

1 Accounting policies (continued)

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 profit and loss account as incurred. The assets that relate to the scheme are held in an independently administered fund.

No amounts were prepaid or accrued at 31 December 2019 (31 December 2018: £nil).

Further details of the Company's pension arrangements are included in the financial statements of GBT Travel Services UK Limited.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense when the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

1.10 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes net revenue earned from the rendering of travel services. As part of the customer arrangements, the Company is contractually obligated to share certain commissions earned directly attributable to the client business. Those are recorded as contra-revenue.

Transaction Revenue

The Company earns travel commissions and fees by charging clients transaction or management fees for selling and arranging travel and for travel management services. Client transaction fee revenue is recognised at the time the client books the travel arrangements. Travel management services revenue is recognised over the contractual term of the agreement.

Supplier Revenue

The Company's travel suppliers (e.g. airlines, hotels and car rental companies) pay commissions and fees on tickets issued, sales and other services based on contractual agreements. Commissions and fees from travel suppliers are generally recognised at the time a ticket is purchased for air and rail travel or upon fulfilment of the reservation for hotels and car rentals.

The Company recognises revenue using estimates for certain services provided under contractual agreements where the fees earned are variable and are determined by meeting volume targets. When the Company is unable to estimate the fees earned, revenue is recognised when the cash is received.

1.12 Expenses

Administration Expenses

Expenses associated with functions engaged in delivering our services and functions engaged in business support, including expenses for sales support, finance, technology, legal and other Company activities are classified as operating costs. These costs include costs incurred for Global Distribution System (GDS), costs for servicing client transactions, data processing charges and product and meeting related expenses.

Foreign currency gains and losses are reported on a net basis.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Notes (continued)

1 Accounting policies (continued)

1.12 Expenses (continued)

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 the financial performance of the Company. They are material non-recurring 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.

Interest receivable

Interest receivable and similar income include interest receivable on funds invested.

Interest income is recognised in profit or loss as they accrue.

1.13 Taxation

Current taxation

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

Deferred taxation

Deferred tax is provided, using the liability method, on all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

1.14 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 recorded.

Notes (continued)

1 Accounting policies (continued)

1.15 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.

1.16 Critical accounting estimates and estimation uncertainty

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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment testing

Annually, the Company considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Allowance for doubtful accounts

In its determination of the valuation of trade and receivables, including the allowance for doubtful accounts, management relies on current customer information, which include customer creditworthiness and past experiences, and its planned course of action as well as assumptions about business and economic conditions in the future period over which receivables are collectible. If future collections differ from estimates, future earnings would be affected.

Recognition of Supplier Revenue

In its determination of supplier revenue management uses estimates for certain services provided under contractual agreements where the fees earned are variable and are determined by meeting volume targets. When the Company is unable to estimate, the fees earned, revenue is recognised when the cash is received.

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

	Year Ended 31 Dec 2019	9 Months Ended 31 Dec 2018
Staff costs		
Wages and salaries	27,759,431	21,187,235
Social security costs	2,522,153	2,027,480
Other pension costs (note 13)		
- Defined contribution scheme	1,859,110	1,439,870
- Contributions paid to defined benefit scheme	13,938,188	6,339,008
	<u>46,078,882</u>	<u>30,993,592</u>

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 (with ultimate parent company of the group being GBT JerseyCo Limited from 10th December 2019 and GBT III BV prior to 10th December 2019) (December 2018: £nil). It is not possible to determine specific allocations for their services rendered to this Company. The Directors were remunerated by GBT Travel Services UK Limited.

All staff costs were recharged from Hogg Robinson Limited, a fellow group company.

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

	Year Ended 31 Dec 2019	9 Months Ended 31 Dec 2018
	Number	Number
By activity:		
Selling and operations	849	950
Administration	75	80
	<u>924</u>	<u>1,030</u>

Notes (continued)

4 Operating profit

Operating profit is stated after charging/(crediting):

	Year Ended 31 Dec 2019	9 Months Ended 31 Dec 2018
	£	£
Amortisation of intangible assets in the period	287,847	233,361
Depreciation charge for the period:		
Tangible assets	465,373	479,780
Operating lease rentals:		
Buildings	2,181,890	1,716,217
Other assets	81,487	61,535
Auditors' remuneration:		
Auditors' remuneration – audit services	159,000	139,000
Other assurance services	15,000	15,000
Exceptional items:		
Impairment of Intangible assets	-	2,318,584
Restructuring costs:		
Redundancy	-	605,253
Onerous lease provision	-	9,825

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 GBT UK TopCo Limited, an indirect parent company, incorporated in England, United Kingdom, whose accounts are available from the UK Companies House. The group financial statements are required to comply with the statutory disclosure requirements.

In prior period exceptional costs were 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.

Restructuring costs of £615,078 were incurred during the period relating to planned cost reduction programmes. They are in respect of redundancy costs and onerous lease provisions.

5 Income tax expense

	Year ended 31 Dec 2019	9 months ended 31 Dec 2018
	£	£
Current tax:		
UK corporation tax at 19% (December 2018: 19%)	-	143,452
Overseas tax	5,700	7,298
Adjustments in respect of previous periods	(538,386)	(133,452)
	<u>(532,686)</u>	<u>17,298</u>
Deferred tax:		
Origination and reversal of timing differences	50,001	25,397
Adjustments to estimated amounts arising in prior periods	(137,440)	43,280
Tax (benefit credit)/ charge on loss/(profit)profit/(loss) on ordinary activities	<u>(620,125)</u>	<u>85,975</u>

Notes (continued)

5 Income tax expense (continued)

Factors affecting the tax charge for the period

The tax assessed for the year/period is lower/higher from the standard rate of corporation tax in the UK of 19% (December 2018: 19%). The differences are explained below:

	Year Ended 31 Dec 2019	9 months ended 31 Dec 2018
	£	£
Profit/(Loss) before taxation	<u>1,055,749</u>	<u>(405,223)</u>
Profit before taxation multiplied by the standard rate in the UK of 19% (December 2018: 19%)	200,592	(76,992)
Effects of:		
Group relief not paid for	(171,662)	(333,187)
Expenses not deductible for tax purposes	32,653	583,402
Adjustments in respect of previous periods	(675,826)	(90,172)
Overseas tax rate differential	-	5,911
Other items	(5,882)	(2,987)
Total tax (credit)/charge for the year/period	<u>(620,125)</u>	<u>85,975</u>

The Company has recognised the following deferred tax assets:

	Year Ended 31 Dec 2019			9 Months Ended 31 Dec 2018		
	Greater than one year	Less than one year	Total	Greater than one year	Less than one year	Total
	£	£	£	£	£	£
Accelerated capital allowances	482,604	-	482,604	371,160	-	371,160
Other temporary differences	-	-	-	24,006	-	24,006
	<u>482,604</u>	<u>-</u>	<u>482,604</u>	<u>395,166</u>	<u>-</u>	<u>395,166</u>

Movement in deferred tax balance:

	Year Ended 31 Dec 2019	9 months ended 31 Dec 2018
	£	£
At 1 Jan/1 April	395,166	463,842
Credit / (charge) to the Income Statement	87,438	(68,676)
At 31 Dec	<u>482,604</u>	<u>395,166</u>

Notes (continued)

5 Income tax expense (continued)

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.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

In November 2019, the UK government announced intention to cancel the future reduction in corporation tax rate from 19% to 17%. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continues to be measured at the enacted tax rate of 17%. In July 2020, it was substantially enacted that the corporation tax rate will remain at 19%.

6 Intangible assets

	Computer software externally acquired	Goodwill	Computer software internally generated	Total
	£	£	£	£
Cost:				
At 1 January 2019	1,523,605	151,750	2,281,911	3,957,266
Additions	197,635	-	-	197,635
Disposal	-	(151,750)	(2,281,911)	(2,433,661)
At 31 December 2019	1,721,240	-	-	1,721,240
Accumulated amortisation:				
At 1 January 2019	(1,005,851)	(151,750)	(2,281,911)	(3,439,512)
Charge for the period	(287,847)	-	-	(287,847)
Disposal	-	151,750	2,281,911	2,433,661
At 31 December 2019	(1,293,698)	-	-	(1,293,698)
Carrying amount:				
At 31 December 2019	427,542	-	-	427,542
At 31 December 2018	517,754	-	-	517,754

Notes (continued)

7 Tangible assets

	Leasehold property £	Leased plant & equipment £	Owned plant & equipment £	Total £
Cost:				
At 1 January 2019	3,152,140	130,531	5,424,482	8,707,153
Additions	63,023	-	30,788	93,811
Disposals	(35,565)	-	(569)	(36,134)
At 31 December 2019	3,179,598	130,531	5,454,701	8,764,830
Accumulated depreciation:				
At 1 January 2019	(2,658,634)	(130,531)	(5,108,096)	(7,897,261)
Charge for the period	(221,994)	-	(243,379)	(465,373)
Disposals	33,978	-	32	34,010
At 31 December 2019	(2,846,650)	(130,531)	(5,351,443)	(8,328,624)
Net book value:				
At 31 December 2019	332,948	-	103,258	436,206
At 31 December 2018	493,506	-	316,386	809,892

Notes (continued)

8 Investments

	Other unlisted investments £	Subsidiary companies £	Total £
Cost and net book value:			
Business Travel International BV	1	-	1
Hogg Robinson Money Matters Limited	-	1,266,000	1,266,000
As at 1 January and 31 December 2019	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 2019	Proportion held 31 Dec 2018
Holding companies			
Hogg Robinson Money Matters Limited	Ordinary	100%	100%
Dormant companies			
Powerwaves Limited	Ordinary	100%	100%
Worldmark Travel Limited	Ordinary	100%	100%

All companies are incorporated in the United Kingdom and have registered office of 5 Churchill Place, Canary Wharf, London, E14 5HU.

The interest in the unlisted investment is:

Name of company	Class of shares held	Proportion held 31 Dec 2019	Proportion held 31 Dec 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 2019	As at 31 Dec 2018
	£	£
Amounts falling due within one year		
Trade receivables	13,169,737	11,868,257
Amounts owed by group undertakings	77,669,327	72,116,833
Other receivables	667,513	538,685
Prepayments and accrued income	10,081,178	8,503,219
Corporation tax (note 5)	538,386	-
	<u>102,126,141</u>	<u>93,026,994</u>
Amounts falling due after more than one year		
Deferred tax asset (note 5)	482,604	395,166
	<u>102,608,745</u>	<u>93,422,160</u>
Total receivables	102,608,745	93,422,160

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 £302,159 (Dec 2018: £60,295).

Notes (continued)

10 Creditors: amounts falling due within one year

	As at 31 Dec 2019	As at 31 Dec 2018
	£	£
Trade creditors	15,920,334	17,187,562
Amounts owed to group undertakings	24,956,428	7,485,878
Corporation tax	-	41,746
Other creditors	1,260,200	1,342,928
Accruals and deferred income	1,152,560	1,990,491
	<u>43,289,522</u>	<u>28,048,605</u>

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 January 2019	1,319,630	533,260	100,000	1,952,890
Additional provisions in period	25,541	457,967	13,100	496,608
Utilised in the period	(37,386)	(852,639)	(13,100)	(903,125)
At 31 December 2019	<u>1,307,785</u>	<u>138,588</u>	<u>100,000</u>	<u>1,546,373</u>

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 September 2022) 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.

Notes (continued)

12 Called up share capital

	As at 31 Dec 2019	As at 31 Dec 2018
	£	£
Authorised		
60,000,000 (March 2018: 60,000,000) Ordinary shares of £1 each	<u>60,000,000</u>	<u>60,000,000</u>
Issued, called up and fully paid		
56,570,778 (Dec 2018: 56,570,778) Ordinary shares of £1 each	<u>56,570,778</u>	<u>56,570,778</u>

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 3% and 8% of basic salary of participating employees.

Contributions to the Plan for the year ended 31 December 2019 amounted to £752,583 (9 month period ended December 2018: £503,611). No amounts were prepaid or accrued at the balance sheet date (December 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 of GBT Travel Services UK Limited following the acquisition of Hogg Robinson Group Limited by Global Business Travel 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 £13,938,187.68 (December 2018: £6,339,008) in relation to the defined benefit part of the Scheme and £1,106,527 (December 2018: £936,258) 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 20 years.

The Scheme was valued in accordance with FRS 102 as at 31 December 2019 with a net unfunded obligation presented in the financial statements of GBT Travel Services UK Limited of £206.9m (December 2018: £226.7m).

Notes (continued)

14 Operating leases

Outstanding commitments for future minimum lease payments as follows:

	As at 31 Dec 2019	As at 31 Dec 2018
	£	£
Due within one year	1,715,953	2,387,381
Between one and five years	875,173	2,359,612
After five years	68,375	81,475
Total commitment	<u>2,659,501</u>	<u>4,828,468</u>

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 2019, on average, property leases had 2.0 years to run (Dec 2018: 3.0 years).

15 Capital commitments

Capital expenditure of £nil has been contracted for and authorised at 31 December 2019 for fixtures, fittings and equipment (December 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 9 December 2019 was GBT III BV, a company incorporated in the Netherlands. Following the corporate group reorganisation on 10 December 2019, the Company's ultimate parent and controlling entity changed to GBT JerseyCo Limited (registered address: 3rd Floor, 44 Espalanade, St Helier, Jersey JE4 9WG), a company incorporated in Jersey. The smallest and largest group to consolidate the financial statements of the Company is GBT UK TopCo Limited (registered address: 5 Churchill Place, Canary Wharf, London E14 5HU), an intermediate parent company, incorporated in England, United Kingdom, whose accounts are available from the UK Companies House.

The Company's ultimate controlling parties are American Express Travel Holdings Netherlands Cooperatif U.A. ("Amex") and Juweel Luxembourg s.a.r.l. ("Juweel") with equal ownership in ordinary shares of GBT III BV. The joint venture agreement was subsequently amended on 10 December 2019 between Amex and Juweel, with no impact on their control or their ownership structure of the Company.

17. Transition to FRS 102

The Company transitioned from FRS 101 to FRS 102 from 1 April 2018. A review has been undertaken as to the impact on balance sheet at 1 April 2018 and 31 December 2018 as well as the profit and loss for the period ended 31 December 2018. As part of the transition review, the adoption of IFRS15 in 2018 was considered, and it was concluded that the accounting treatment adopted under that standard was appropriate under FRS102. As such, no accounting differences have arisen.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Separate financial instruments – carrying amount of the Company's cost of investment in subsidiary is its deemed cost at 1 April 2018.
- Lease incentives – for leases that commenced before 1 April 2018 the Company continued to account for lease incentives under adopted IFRS.