



## Årsregnskap for regnskapsåret 2018

Organisasjonsnr: 982 374 383  
Navn/foretaksnavn: HOGG ROBINSON NORDIC HOLDINGS AS  
Forretningsadresse: Tordenskiolds Gate 8-10  
0130 OSLO

Brønnøysundregistrene  
30.04.2021

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### Brønnøysundregistrene

Postadresse: 8910 Brønnøysund

Telefoner: Opplysningstelefonen 75 00 75 00 Telefaks 75 00 75 05

E-post: [firmapost@brreg.no](mailto:firmapost@brreg.no) Internett: [www.brreg.no](http://www.brreg.no)

Organisasjonsnummer: 974 760 673



Brønnøysundregistrene - Regnskapsregisteret

2021 100013



VEDLEGG TIL ÅRSREGNSKAP 2018



HOGG ROBINSON NORDIC HOLDINGS AS Postboks 6827 St Olavs Plass 0130 OSLO	Organisasjonsnr.	AS
	982 374 383	



Registrerte opplysninger per 11.02.2021		Eventuelle endringer dette regnskapsåret	
Startdato 01.04.2017	Avslutningsdato 31.12.2018	Startdato 01.04.2017	Avslutningsdato 31.12.2018
Konsernforhold Foreninger som følger regler for frivillig virksomhet, kan ikke være morselskap	Morselskap JA	Endret konsernforhold <input type="checkbox"/> Morselskap <input type="checkbox"/> Ikke morselskap	

Kun for aksjeselskap som har meldt fravalg av revisjon

Selskapet har besluttet at årsregnskapet ikke skal revideres  Ja

Årsregnskapet er utarbeidet av ekstern autorisert regnskapsfører  Ja

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet  Ja

Årsregnskapet er satt opp etter reglene for frivillig virksomhet  Avkrysning er kun aktuelt for foreninger (FLI) som er registrert i Frivillighetsregisteret

Hvis enheten ikke følger norsk regnskapslov eller frivillighetsregisterloven, kryss av  IFRS selskap  IFRS konsern

Hvis enheten velger å avvike fra regnskapsloven § 6-1, kryss av  Funksjon selskap  Funksjon konsern

Følges regnskapsreglene for små foretak?  Ja  Nei

Jeg bekrefter at vedlagte årsregnskap er fastsatt av kompetent organ den \_\_\_\_\_ Dato

Sted/data, Underskrift av representant for enheten

*ok  
admn*

Bare til bruk for Regnskapsregisteret

*ant*

*Kobling av 2 årso pga. oversang til normalt regnskaps år.*

G  NYVE  Admr  Kregn Ja  Nei  Aktiv. regn

M  Rets  Ant.s **1 2 5**

ov.b årsb res bal e.bal gj.bal rev i-rev k-res k-bal k-n k-rev i-k-rev n

k-regn kto d.k ik-fv konsf ifrs fr-rev funk u.off brev




BR-1001-11







Organisasjonsnr: 982 374 383  
HOGG ROBINSON NORDIC HOLDINGS AS

## BALANSE

Beløp i: NOK Note 2018 2017

### BALANSE - EIENDELER

<b>Anleggsmidler</b>			
<b>Innmaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap 2	130 240 655	130 240 655	
Sum finansielle anleggsmidler	130 240 655	130 240 655	
Sum anleggsmidler	130 240 655	130 240 655	
<b>Omløpsmidler</b>			
<b>Varer</b>			
Sum omløpsmidler	0	0	
<b>SUM EIENDELER</b>	<b>130 240 655</b>	<b>130 240 655</b>	

### BALANSE - EGENKAPITAL OG GJELD

<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	4	170 348 000	170 348 000
Overkurs		30 000	30 000
Sum innskutt egenkapital		170 378 000	170 378 000
<b>Opptjent egenkapital</b>			
Annen egenkapital		-49 792 907	-58 155 069
Sum opptjent egenkapital		-49 792 907	-58 155 069
Sum egenkapital		120 585 093	112 222 931
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Annen langsiktig gjeld			
Langsiktig konserngjeld	3	6 342 169	15 537 406
Sum annen langsiktig gjeld		6 342 169	15 537 406
Sum langsiktig gjeld		6 342 169	15 537 406
<b>Kortsiktig gjeld</b>			
Betalbar skatt	5	3 313 393	2 480 317
Sum kortsiktig gjeld		3 313 393	2 480 317
Sum gjeld		9 655 562	18 017 723
<b>SUM EGENKAPITAL OG GJELD</b>		<b>130 240 655</b>	<b>130 240 654</b>





Organisasjonsnr: 982 374 383  
HOGG ROBINSON NORDIC HOLDINGS AS

## BALANSE

Beløp i: NOK Note 2018 2017

### BALANSE - EIENDELER

Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	130 240 655	130 240 655	
Sum finansielle anleggsmidler	130 240 655	130 240 655	
Sum anleggsmidler	130 240 655	130 240 655	
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	4 601 082		
Sum fordringer	4 601 082		
Sum omløpsmidler	4 601 082	0	
<b>SUM EIENDELER</b>	<b>134 841 737</b>	<b>130 240 655</b>	

### BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Selskapskapital	170 348 000	170 348 000	
Overkurs	30 000	30 000	
Sum innskutt egenkapital	170 378 000	170 378 000	
Opptjent egenkapital			
Annen egenkapital	-46 353 153	-49 792 908	
Sum opptjent egenkapital	-46 353 153	-49 792 908	
Sum egenkapital	124 024 847	120 585 092	
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld	7 290 413	6 342 170	
Sum annen langsiktig gjeld	7 290 413	6 342 170	
Sum langsiktig gjeld	7 290 413	6 342 170	
Kortsiktig gjeld			
Betalbar skatt	3 526 477	3 313 393	
Sum kortsiktig gjeld	3 526 477	3 313 393	

Utskriftsdato 29.07.2019

Organisasjonsnr 982 374 383

Side 2 av 3



Sum gjeld	10 816 890	9 655 563
SUM EGENKAPITAL OG GJELD	134 841 737	130 240 655

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## Hogg Robinson Nordic Holdings AS

### Noter til regnskapet 2017/2018

#### Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven 1998 og god regnskapspraksis.

Det er ikke utarbeidet konsernregnskap iht regnskapsloven § 3-7 med forskrift av 16. desember 1998.  
Selskapet inngår i Hogg Robinson Group Plc's (UK) konsernregnskap jfr. regnskapsloven § 7-15 3.ledd.  
Morselskapets forretningsadresse er Global House, Victoria Street, Basingstoke, Hampshire RG21 3BT.

#### Datterselskap

Datterselskapet er vurdert etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig.

Konsernbidrag er innlektsført samme år som det er avsatt i det tilknyttede selskapet, dersom det er sannsynlig at beløpet vil mottas. Ved utbytte som overstiger andel av tilbakeholdt resultat etter kjøpet representerer den overskytende del tilbakebetaling av investert kapital, og er fratrukket investeringsverdi i balansen.

#### Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som krytter seg til varekretsløpet. For andre poster enn kundefordringer omfattes poster som forfaller til betaling innen ett år etter transaksjonsdagen. Anleggsmidler er eiendeler bestemt til varig eie og bruk. Langsiktig gjeld er gjeld som forfaller senere enn ett år etter transaksjonsdagen.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominell beløp på etableringsdagspunktet.

#### Valuta

Pengeposter i utenlandsk valuta er vurdert etter kursen ved regnskapsårets slutt.

#### Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 23% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og skattevirkningen er beregnet på netto grunnlaget.



## Hogg Robinson Nordic Holdings AS

### Noter til regnskapet 2017/2018

#### Note 1 Egenkapital

	Aksjekapital	Over- kursfond	Annen egenkapital	Sum
Egenkapital pr 01.04.2017	170,348,000	30,000	-58,155,069	112,222,931
Årets resultat			8,362,162	8,362,162
Egenkapital pr 31.03.2018	170,348,000	30,000	-49,792,907	120,585,093

#### Note 2 Datterselskaper

Investeringene i datterselskaper regnskapsføres etter kostmetoden.

Den fremtidige lønnsomheten i Hogg Robinson Nordic AS har nylig blitt revurdert, og medført en nedskrivningen på 40 200 000 i fjor.

Selskap	Aksje kapital	Antall aksjer	Vårt antall aksjer	Egenkapital siste år	Resultat siste år	Bokført verdi
Hogg Robinson Nordic AS (Oslo)	13,248,000	132,480	132,480	22,403,838	8,682,349	130,240,655
Verdi i selskapsregnskapet						130,240,655

#### Note 3 Fordringer og gjeld

Transaksjoner inneværende år med datterselskap, Hogg Robinson Nordic AS, relaterer seg til renter på lån. Det ble mottatt i år et konsernbidrag fra Hogg Robinson Nordic AS.

	2018	2017
Langtidslån fra Hogg Robinson Nordic AS	-6,342,169	-15,537,406

#### Note 4 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i Hogg Robinson Nordic Holdings AS består av 100 A-aksjer og 170,248 B-aksjer. Alle aksjer har lik stemmerett.

Alle aksjer eies av Hogg Robinson Holdings B.V. Aksjeeier har gjennom avtale rett til å kreve B-aksjene innløst mot nedsettelse av aksjekapitalen.



## Hogg Robinson Nordic Holdings AS

### Noter til regnskapet 2017/ 2018

#### Note 5 Skatt

Selskapet har ingen midlertidige forskjeller.

Beregning av årets skattegrunnlag:	2018	2017
Resultat før skattekostnad	10,860,540	34,197,325
Permanente forskjeller	1,974	40,202,039
Årets skattegrunnlag	10,862,514	6,004,713

Endring i skattemessig fremførbart underskudd	0	0
Skattepliktig inntekt (grunnlag for betalbar skatt)	10,862,514	6,004,713

Årets skattekostnad fordeler seg på:

Betalbar skatt	2,498,378	1,441,131
Endring i utsatt skatt	0	0
Sum skattekostnad	2,498,378	1,441,131

Forklaring til årets betalbare skatt:

23% skatt av resultat før skatt	2,497,924	-8,207,358
Permanente forskjeller (23%)	454	9,648,489
Beregnet skattekostnad	2,498,378	1,441,131

Betalbar skatt i balansen:

23% skatt av resultat før skatt	2,498,378	1,441,131
Rest ikke regnet skatt tidligere regnskapsår	815,015	1,039,186
Betalbar skatt i balansen	3,313,393	2,480,317

#### Note 6 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Selskapet har ingen ansatte. Det er ikke gitt lårsikkerhetstilteleser til nærstående parter.

Revisor

Selskapsregnskapet er ikke blitt belastet for revisjonshonorar.



Hogg Robinson Nordic Holdings AS

Noter til regnskapet 2017/ 2018

Kontantstrømpoppstilling - Den indirekte modell

	2018	2017
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	10,060,540	-34,197,325
Periodens betalte skatt	-1,665,302	-838,095
Nedskrivning aksjer i datterselskap	-	40,200,000
Endring i konsernfødring	-9,195,238	-5,164,579
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>	<b>0</b>	<b>0</b>
<hr/>		
Netto endring i kontanter og kontantekvivalenter	0	0
Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	(0)	0
Beholdning av kontanter og kontantekvivalenter periodens slutt	(0)	0



## Hogg Robinson Nordic Holdings AS

Noter til regnskapet 01.04.2018 - 31.12.2018

### Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven 1998 og god regnskapsikk.

Det er ikke utarbeidet konsernregnskap iht regnskapsloven § 3-7 med forskrift av 16. desember 1998. Selskapet inngår i Hogg Robinson Group Plc's (UK) konsernregnskap jfr. regnskapsloven § 7-15 3.ledd. Morselskapets forretningsadresse er Global House, Victoria Street, Basingstoke, Hampshire RG21 3BT.

Selskapets regnskapsår har tidligere vært 01. april – 31. mars, men som følge av at selskapets ultimate morselskapet ble kjøpt opp av Global Business Travel Holdings Limited den 18. juni 2018, er regnskapsåret endret til 01. januar – 31. desember.

### Datterselskap

Datterselskapet er vurdert etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig.

Konsernbidrag er inntektsført samme år som det er øvsett i det tilknyttede selskapet, dersom det er sannsynlig at beløpet vil mottas. Ved utbytte som overstiger andel av tilbakeholdt resultat etter kjøpet representerer den overskytende del tilbakebetaling av investert kapital, og er fratrukket investeringens verdi i balansen.

### Klassifisering og vurdering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som knytter seg til varekretsløpet. For andre poster enn kundefordringer omfattes poster som forfaller til betaling innen ett år etter transaksjonsdagen. Anleggsmidler er eiendeler bestemt til varig eie og bruk. Langsiktig gjeld er gjeld som forfaller senere enn ett år etter transaksjonsdagen.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringsstidspunktet.

### Valuta

Pengeposter i utenlandsk valuta er vurdert etter kursen ved regnskapsårets slutt.

### Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og skattevirkningen er beregnet på netto grunnlaget.



## Hogg Robinson Nordic Holdings AS

Noter til regnskapet 01.04.2018 - 31.12.2018

### Note 1 Egenkapital

	Aksjekapital	Over- kursfond	Annen egenkapital	Sum
Egenkapital pr 01.04.2018	170,348,000	30,000	-49,792,907	120,585,093
Årets resultat			3,439,754	3,439,754
Egenkapital pr 31.12.2018	170,348,000	30,000	-46,353,153	124,024,847

### Note 2 Datterselskaper

Investeringene i datterselskaper regnskapsføres etter kostmetoden.

Den fremtidige lønnsomheten i Hogg Robinson Nordic AS har nylig blitt revurdert, og medført en nedskrivning på 40 200 000 i fjor.

Selskap	Aksje kapital	Antall aksjer	Vårt antall aksjer	Egenkapital siste år	Resultat siste år	Bokført verdi
Hogg Robinson Nordic AS (Oslo)	13,248,000	132,480	132,480	12,057,583	-5,613,005	130,240,655
Verdi i selskapsregnskapet						130,240,655

### Note 3 Fordringer og gjeld

Transeksjoner inneværende år med datterselskap, Hogg Robinson Nordic AS, relaterer seg til renter på lån

Det ble mottatt i år et konsernbidrag fra Hogg Robinson Nordic AS.

	01.04.18 - 31.12.18 Dec 2018	01.04.17 - 31.03.18 Mar 2018
Langtidskin lån fra Hogg Robinson Nordic AS	-7,290,413	-8,342,169
Fordringer fra Hogg Robinson Nordic AS	4,601,082	0

### Note 4 Aksjekapital og aksjonærinformasjon

Aksjekapitalen i Hogg Robinson Nordic Holdings AS består av 100 A-aksjer og 170.248 B-aksjer. Alle aksjer har lik stemmerett.

Alle aksjer eies av Hogg Robinson Holdings B.V. Aksjeeier har gjennom avtale rett til å kreve B-aksjene innløst mot nedsattelse av aksjekapitalen.



## Hogg Robinson Nordic Holdings AS

Noter til regnskapet 01.04.2018 - 31.12.2018

### Note 5 Skatt

Selskapet har ingen midlertidige forskjeller.

Beregning av årets skattegrunnlag:	01.04.18 - 31.12.18 Dec 2018	01.04.17 - 31.03.18 Mar 2018
Resultat før skattekostnad	4,467,360	10,660,540
Permanente forskjeller	493	1,974
Årets skattegrunnlag	4,467,852	10,662,514

Endring i skattemessig fremførbart underskudd	0	0
Skattepliktig inntekt (grunnlag for betalbar skatt)	4,467,852	10,662,514

Årets skattekostnad fordeler seg på:

Betalbar skatt	1,027,606	2,498,378
Endring i utsatt skatt	0	0
Sum skattekostnad	1,027,606	2,498,378

Forklaring til årets betalbare skatt:

23% skatt av resultat før skatt	1,027,493	2,497,924
Permanente forskjeller (23%)	113	454
Beregnet skattekostnad	1,027,606	2,498,378

Betalbar skatt i belansen:

23% skatt av resultat før skatt	1,027,606	2,498,378
Rest ikke liknet skatt tidligere regnskapsår	2,498,871	815,015
Betalbar skatt i belansen	3,526,477	3,313,393

### Note 6 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte mm.

Selskapet har ingen ansatte. Det er ikke gitt lån/sikkerhetsstillelser til nærstående parter.

Revisor

Selskapsregnskapet er ikke blitt belastet for revisjonshonorar.



## Hogg Robinson Nordic Holdings AS

Noter til regnskapet 01.04.2018 - 31.12.2018

### Kontantstrømoppstilling - Den indirekte modell

	01.04.18 - 31.12.18	01.04.17 - 31.03.18
	Dec 2018	Mar 2018
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skattekostnad	4,467,360	10,860,540
Periodens betalte skatt	-814,522	-1,665,302
Nedskrivning aksjer i datterselskap	-	-
Endring i konsernfordring	-3,652,837	-9,195,238
<b>Netto kontantstrøm fra operasjonelle aktiviteter</b>	<b>(0)</b>	<b>0</b>
Netto endring i kontanter og kontantekvivalenter	0	0
Beholdning av kontanter og kontantekvivalenter ved periodens begynnelse	0	(0)
Beholdning av kontanter og kontantekvivalenter periodens slutt	0	0



**PROTOKOLL  
FRA  
ORDINÆR GENERALFORSAMLING  
I  
HOGG ROBINSON NORDIC HOLDINGS AS**

Den ~~27~~ 27 ~~Sept~~ Sept 2018 ble det avholdt ordinær generalforsamling i Hogg Robinson Nordic Holdings AS i selskapets lokaler i Oslo.

Tilstede var eneaksjonær Hogg Robinson Holdings B.V, representert ved Christer Nordlund.

Samtlige 170 348 aksjer var således representert.

Det var ikke bemerkninger til innkallelsen eller dagsorden, og denne ble således godkjent. Generalforsamlingen ble erklært for lovlig satt.

Følgende saker forelå til behandling:

**1. Årsregnskap og årsberetning for regnskapsåret 1.april til 31. mars**

Styrets forslag til årsregnskap og årsberetning med revisors beretning ble gjennomgått.

Årsregnskapet og årsberetningen ble godkjent. Revisors beretning ble tatt til etterretning. Det ble vedtatt å anvende årets resultat i samsvar med styrets forslag.

**2. Honorar til styre og revisor**

Generalforsamlingen besluttet at det ikke utbetales honorar til styret for regnskapsåret.

Generalforsamlingen besluttet honorar til revisor i henhold til regning

**3. Årsoppgjørdisposisjoner i form av konsernbidrag**

Det ble videre som del av årsregnskapet mottatt følgende konsernbidrag med skatteeffekt:

Avgiver	Beløp
Hogg Robinson Nordic AS	Kr 11 295 727
<b>Sum</b>	<b>Kr 11 295 727</b>

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Det forelå ikke flere saker til behandling. Generalforsamlingen ble hevet og protokollen undertegnet.

For og på vegne av  
Hogg Robinson Holdings B.V:  
Oslo, 27 / Sept 2018

e.f.



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Journalnummer: 2019 202212

**Enheten**

Organisasjonsnummer: 982 374 383  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: HOGG ROBINSON NORDIC HOLDINGS AS  
Forretningsadresse: Tordenskiolds Gate 8-10  
0130 OSLO

**Regnskapsår**

Årsregnskapets periode: 01.04.2017 - 31.03.2018

**Konsern**

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

**Regnskapsregler**

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av  
årsregnskapet til konsernet: -

**Årsregnskapet fastsatt av kompetent organ**

Bekreftet av representant for selskapet: Kenneth Mikael Christer Nordlund  
Dato for fastsettelse av årsregnskapet: 27.09.2018

**Grunnlag for avgivelse**

År 2018: Årsregnskap er elektronisk innlevert.  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 21.01.2019

Brønnøysundregistrene  
Postadresse: Postboks 900, 8910 Brønnøysund  
Telefoner: Opplysningstelefonen 75 00 75 00 Administrasjonen 75 00 75 09 Telefaks 75 00 75 05  
E-post: firmapost@breg.no Internett: www.breg.no  
Organisasjonsnummer: 974 760 673



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Journalnummer: 2019 813112

**Enheten**

Organisasjonsnummer: 982 374 383  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: HOGG ROBINSON NORDIC HOLDINGS AS  
Forretningsadresse: Tordenskiolds Gate 8-10  
0130 OSLO

**Regnskapsår**

Årsregnskapets periode: 01.04.2018 - 31.12.2018

**Konsern**

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

**Regnskapsregler**

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Regnskapslovens alminnelige regler

**Årsregnskapet fastsatt av kompetent organ**

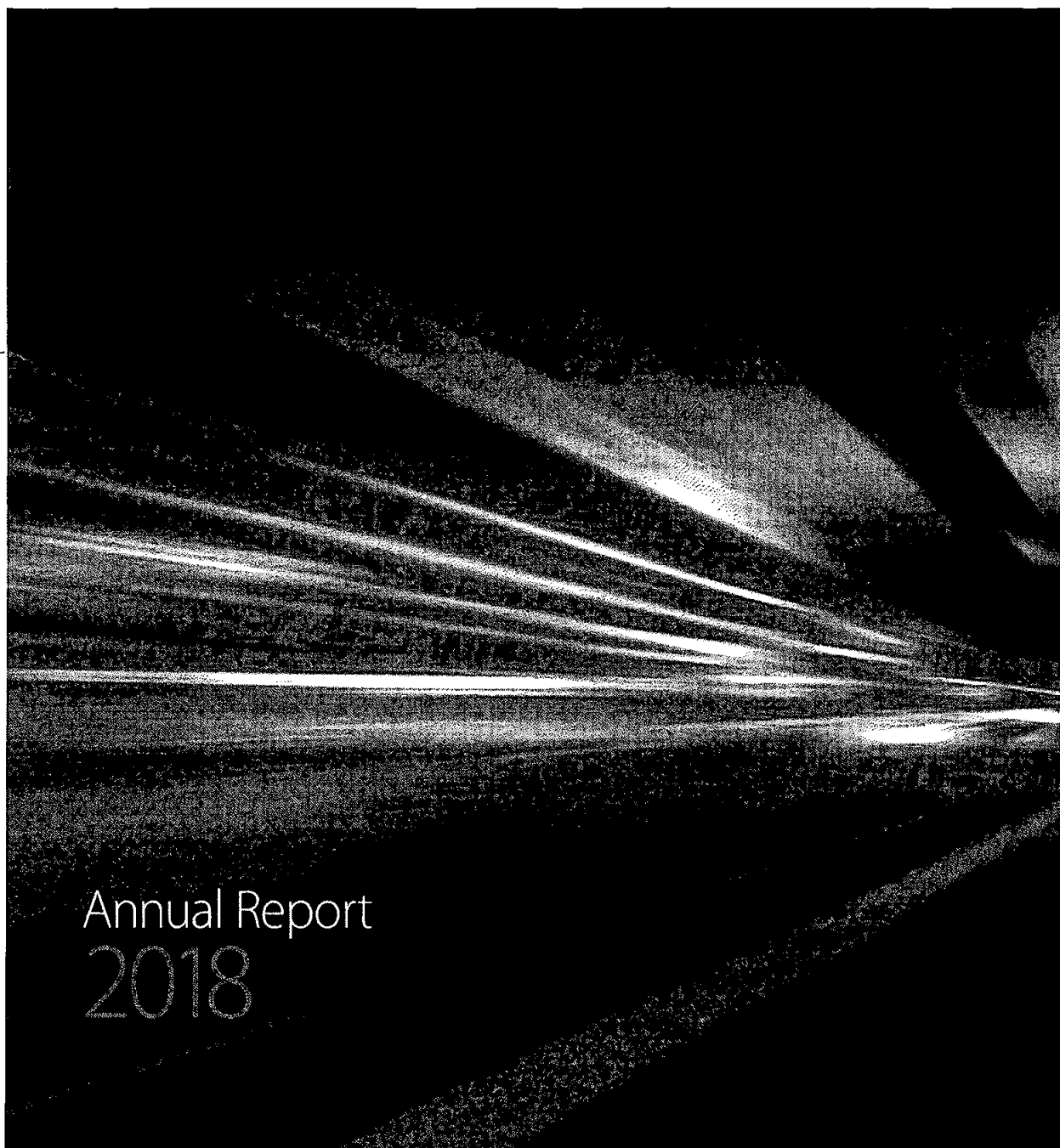
Bekreftet av representant for selskapet: Tony McGraw  
Dato for fastsettelse av årsregnskapet: 12.07.2019

**Grunnlag for avgivelse**

År 2018: Årsregnskap er elektronisk innlevert.  
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018.

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 29.07.2019



Annual Report  
2018

HOGG ROBINSON  
GROUP PLC



OVERVIEW

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Our Annual Report 2018 is available in both printed form and on the Investors section of the Hogg Robinson Group website at [www.hoggrobinson.com](http://www.hoggrobinson.com). Effective communication with our shareholders is vital to our well-being and we would welcome feedback on either or both versions of the Annual Report.

[www.hoggrobinson.com](http://www.hoggrobinson.com)



OVERVIEW

## HIGHLIGHTS OF THE YEAR

### SUMMARY OF RESULTS

Continuing operations	Years ended 31 March			
	2018	2017	Change (actual exchange rates)	Change (constant exchange rates) <sup>(1)</sup>
Revenue	£290.7m	£302.0m	(4%)	(5%)
Reported earnings				
– Operating profit	£14.5m	£37.4m	(61%)	(61%)
– Operating profit margin	5.0%	12.4%	(7.4pp)	
– Profit before tax	£4.2m	£25.0m	(83%)	(84%)
– Earnings per share	0.1p	5.3p	(98%)	
Underlying earnings <sup>(2)</sup>				
– Operating profit	£36.9m	£41.2m	(10%)	(11%)
– Operating profit margin	12.7%	13.6%	(0.9pp)	
– Profit before tax	£26.6m	£28.8m	(8%)	(8%)
– Earnings per share	6.3p	6.2p	+2%	
Dividend per share <sup>(3)</sup>	0.76p	2.64p	(71%)	
Free cash inflow <sup>(4)</sup>	£0.2m	£18.6m	(£18.4m)	
Net cash/(debt) <sup>(5)</sup>	£107.7m	(£21.0m)	+£128.7m	
Online adoption <sup>(6)</sup>	54%	51%	+3pp	

### SIGNIFICANT EVENTS

- Completed the disposal of Freedom to Visa on 7 March 2018 for £141.75m, before cash, debt and working capital adjustments
- Recommended cash acquisition (the Acquisition) of Hogg Robinson Group plc by Global Business Travel Holdings Limited announced on 9 February 2018
- Shareholder approval of the Acquisition gained on 16 March 2018
- Court sanction of the Acquisition occurred on 17 July 2018
- On 19 July 2018, the Acquisition was completed and Hogg Robinson Group plc became a wholly-owned subsidiary of Global Business Travel Holdings Limited
- On 20 July 2018, the listing of Hogg Robinson Group plc shares on the premium listing segment of the Official List and the Main Market of the London Stock Exchange was cancelled

### OPERATIONAL HIGHLIGHTS

- Substantial progress made in delivering initial planned strategic actions
- Sales and client management resources increased
- Significant new client wins
- Secured new deals with several global airlines
- Progressed development of yield management and direct connect functionality with suppliers
- Completed and integrated acquisition of travel innovator eWings.com while progressing delivery of HRG's technology strategy
- Continued to drive new operational and productivity initiatives across HRG

### FINANCIAL HIGHLIGHTS

- Results in line with management's expectations as investment made in the strategic future of the business
- 3-year restructuring programme completed with annualised savings of £22.3m achieved against target of circa £20m
- No final dividend is proposed for the year ended 31 March 2018

### OUTLOOK

- The Group has performed in line with management's expectations since year-end

#### Notes:

- (1) Local currency results for March 2018 have been translated at March 2017 exchange rates.
- (2) Before amortisation of acquired intangibles and exceptional items.
- (3) For the year ended 31 March 2018, an interim dividend was paid but no final dividend is proposed. An interim and a final dividend were paid in respect of the year ended 31 March 2017.
- (4) Free cash flow is the change in net debt before acquisitions and disposals, Employee Benefit Trust purchases, proceeds on issue of shares, dividends and the impact of foreign exchange movements.
- (5) A calculation of net debt is shown in Note 18 of the Financial Statements.
- (6) Online adoption is the proportion of total transactions booked by clients via proprietary or third-party online booking tools.
- (7) Our financial statements disclose financial measures which are required under IFRS. We also report additional financial measures that we believe enhance the relevance and usefulness of the financial statements. These are important for understanding underlying business performance.
- (8) References in this annual report to the 'Group' or the 'Company' denote Hogg Robinson Group plc. References to HRG denote the travel management division of the Group.

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STRATEGI- OG REPORT



## STRATEGIC REPORT

The Directors present their strategic report for Hogg Robinson Group plc (the 'Group' or the 'Company') and its subsidiaries for the year ended 31 March 2018.

### PRINCIPAL ACTIVITIES

The principal activity of the Group is that of a travel management company. The Directors do not envisage any change in this activity during the forthcoming period.

Hogg Robinson Group is a major global travel management company (TMC) with a worldwide network spanning 120 countries. Operating at the forefront of new travel distribution, the Group is a market leader offering innovative technology, services and solutions for corporate and government clients.

### BUSINESS MODEL

Core to Hogg Robinson Group's business model as a B2B services company is the delivery of superior, innovative services that solve clients' commercial needs and deliver outstanding end-customer experience. We achieve this by combining high-quality service delivered by experienced staff with cutting-edge digital solutions based on our technology.

### SIGNIFICANT EVENTS

On 9 February 2018, Hogg Robinson Group plc announced that it had entered into a sale and purchase agreement with respect to the disposal of its SaaS technology business, Fraedrom, to Visa for £141.75m, subject to a positive or negative post-closing adjustment for cash, debt and working capital (in the case of working capital, limited to up to £4m in aggregate). The sale and purchase agreement completed on 7 March 2018, with proceeds of £142.89m. A further £151k was received from Visa on 23 April 2018, representing a further consideration payment following the agreement of completion statements in respect of the transaction.

Also on 9 February 2018, the Directors of Hogg Robinson Group plc and the Directors of Global Business Travel Holdings Limited ('GBT Holdings') announced that they had reached an agreement on the terms of a recommended cash acquisition ('the Acquisition') of the entire issued and to be issued ordinary share capital of Hogg Robinson Group by GBT Holdings, a wholly-owned subsidiary of GBT III B.V. The Acquisition was proposed to be implemented by way of a Court-sanctioned scheme of arrangement under Part 26

of the Companies Act, which was subsequently approved by shareholders on 16 March 2018.

Court sanction of the Acquisition occurred on 17 July 2018. On 19 July 2018, the Acquisition was completed and Hogg Robinson Group plc become a wholly-owned subsidiary of Global Business Travel Holdings Limited. On 20 July 2018, the listing of Hogg Robinson Group plc shares on the premium listing segment of the Official List and the Main Market of the London Stock Exchange was cancelled.

### STRATEGY

Throughout the financial year, the Group focused on the execution of its re-focused strategy, as announced on 24 May 2017. The overall strategic objective of the Group has been to grow HRG, its travel management business, through market leadership and innovation, and to accelerate the growth of Fraedrom through partnership and market disruption, while driving shareholder value.

In HRG, we pursued a number of key strategic initiatives during the year:

- Aligning sales force scale and capabilities with new market opportunities
- Growing supplier revenue and margin, working more closely with our key supplier partners using our technology
- Building technology innovations to increase service efficiency and thereby lower operating cost, while enhancing our service capability
- Offering better quality data and actionable insight to our clients and improving the end-customer experience
- Implementing new operational and productivity initiatives that drive greater efficiency and lower operational costs

While accelerating the growth of Fraedrom formed an integral part of the Group's strategy, the sale of Fraedrom to Visa, one of Fraedrom's largest clients, for £141.75m (subject to closing adjustments) provided an opportunity for the Group to exit from the Fraedrom business at an attractive value for the Group's shareholders, while providing Fraedrom a suitable fit with Visa.

### MEASURING OUR PROGRESS

We measure the Group's strategic progress through a balanced set of Key Performance Indicators (KPIs) that are both financial and non-financial in nature.

**Primary Key Performance Indicators**  
See primary KPI charts opposite.

### PRIMARY KPIs

Revenue (£m)	
2017	302.0
2018	290.7
Underlying earnings per share (p)	
2017	6.2
2018	6.3
EBITDA <sup>(1)</sup> (£m)	
2017	49.1
2018	44.6
Free cash flow <sup>(2)</sup> (£m)	
2017	18.6
2018	0.2
Underlying operating profit margin (%)	
2017	13.6
2018	12.7
Net cash/(debt) <sup>(3)</sup> (£m)	
2017	(21.0)
2018	107.7

(1) Earnings Before Interest, Taxation, Depreciation, Amortisation and Exceptional items

(2) Free cash flow is the change in net debt before acquisitions and disposals, Employee Benefit Trust purchases, proceeds on issue of shares, dividends and the impact of foreign exchange movements

(3) See Note 18 of the Financial Statements

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## STRATEGIC REPORT

### Secondary Key Performance Indicators

A number of secondary KPIs are used to monitor client travel spend and activity, and to gauge the efficiency of the Group's operations. Secondary KPIs include: client travel activity, client travel spend, cash conversion and return on capital employed.

Additional measures relating to, for example, client service and satisfaction are also employed throughout the Group. Individual client requirements demand that these measures be implemented at contract level according to the specific nature of the service and/or technology provided to the client.

### BUSINESS REVIEW

As referred to earlier, we disposed of Fraedom to Visa during the period, with the sale and purchase agreement completing on 7 March 2018. The following review of the Group's business focuses on continuing activities, namely the travel management operations of HRG.

The Group delivered an operating and financial performance in FY18 in line with management's expectations, despite the ongoing macroeconomic and geopolitical conditions continuing to have a de-stabilising effect on many of the markets in which the Group operates. As predicted, this year was one of transition as we absorbed the roll-over effect of FY17 losses and the slowdown of sales, together with making incremental investments to drive our growth strategy.

On a reported basis, Group revenue declined by 4%. Underlying operating profit fell 10% and underlying profit before tax was down by 8% compared to prior year. The translation effect of foreign exchange rate movements on the Group's revenue and earnings in the period was minimal.

We made substantial progress during the financial year in delivering the strategic initiatives prioritised for each of our businesses. Specifically, in HRG:

#### – Sales resource investment

We strengthened our sales resource across our markets in Europe, North America and Asia Pacific. On the back of this investment, we won several new large clients, with a majority beginning to trade in Q4.

#### – Supplier revenue investment

We secured new deals with a number of global airlines during the period. In addition, we negotiated and secured more competitive fares from our airline partners across Europe for the benefit of our clients and will continue to leverage supplier relationships throughout this region. Further development of our yield management and direct connect functionality continued, enabling us to further promote competitive rates for the benefit of our clients.

#### – Technology innovations

Development of new and updated technology solutions has been a priority this financial year. The latest version of our proprietary online booking tool, HRG Online, was successfully updated and is now live with a large number of global clients. The HRG travel app was also launched successfully during the period and is performing well. Both have multi-lingual capability, which has increased the rollout reach for each of these products. Following a period of pilot testing, we rolled out our updated reporting tool to clients during H2.

#### – Operational improvements

Operational efficiency continues to be a priority across the Group. This financial year, as part of our ongoing branch network consolidation initiative designed to drive productivity and lower costs, we successfully migrated HRG's European refunds, together with its Austrian, French and Swiss ticketing & fulfilment operations into our centralised service centre in Warsaw. In the UK, we closed the Leicester branch and consolidated the business into our Manchester office, while moving further business travel operations to homeworkers. In Norway, the Trondheim branch was closed during the year. On 31 March 2018, we concluded our 3-year restructuring programme achieving £22.3m of annualised savings against a target of circa £20m.

Client travel transaction activity declined by 9% year-on-year, while client travel spend at constant currency fell by 8%. Air travel bookings accounted for 47% of all bookings, rail 17% and hotel 27%, broadly in line with last year. For the 12-month period, air and rail bookings declined by 7%, while hotel was down by 12%.

The following commentary focuses on those areas of HRG which have had the most material impact on the financial performance of the Group during the year ended 31 March 2018, specifically the UK, Nordics, Germany, North America and Australia. In addition, we have commented on Fraedom for the 48 weeks to 7 March 2018, the date of its disposal.

### Europe

Years ended 31 March

	2018	2017	Change <sup>(2)</sup>	Change (constant exchange rates)
Revenue	£197.3m	£204.9m	(3.7%)	(5.4%)
Share of Group revenue	67.9%	67.8%	+0.1pp	
Operating profit	£2.3m	£25.9m	(91.1%)	(92.3%)
Underlying operating profit <sup>(1)</sup>	£24.4m	£28.5m	(14.4%)	(15.4%)
Share of Group underlying operating profit	66.1%	69.2%	(3.1pp)	
Underlying margin <sup>(1)</sup>	12.4%	13.9%	(1.5pp)	
Online adoption	49%	48%	+1pp	
– UK	63%	60%	+3pp	
– Nordics	60%	60%	–	
– Germany	30%	28%	+2pp	
Travel booking activity			(7%)	
– UK			(14%)	
– Nordics			(1%)	
– Germany			(4%)	
Travel spend			(6%)	
– UK			(12%)	
– Nordics			–	
– Germany			(3%)	

(1) Before amortisation of acquired intangibles and exceptional items

(2) Actual exchange rates used where applicable



## STRATEGIC REPORT

**UK** – Trading suffered this year primarily due to the impact of prior year and current year client losses, and lower than normal new business success in FY17.

Consequently, travel spend and booking activity were down year-on-year. On a positive note, following our stated objective to invest in our sales resource, we were successful in winning a number of global contracts in FY18, including Bearing Point which began trading in H1, WSP which began trading in December 2017 and Cognizant, Estee Lauder and Rolls Royce which all began trading in Q4. Furthermore, several key clients extended their contracts during the period including AIG, HSBC, PwC, Smiths, Subsea 7, Syngenta and the UK Government. Against this trading backdrop, client revenue declined year-on-year in our UK market, which has meant that our 3-year cost restructuring programme remained a key focus.

**Nordics** – There was a marginal decrease in client booking activity due to the timing of Easter. Despite a number of client losses in the prior year, trading levels held up well with new business wins exceeding lost business. We continued to see good underlying growth in corporate activity levels in Norway and Sweden.

**Germany** – Despite a fairly strong German economy, the business travel market remains relatively flat. Client travel activity and client spend were lower year-on-year mainly reflecting the loss of Novartis and KPMG in H2 FY17 and further losses this financial year. Our Sports-related business once again delivered strong results for the year largely driven by successful work with FC Bayern Tours and activities from the various national teams. In addition, our Meetings, Groups & Events (MGE) business continues to grow with strong double-digit year on year revenue increases, largely due to increased activities from Amgen, Merck and Schering along with new business. We completed and integrated the acquisition of travel innovator eWings.com during H1, creating both a new solution for the SME sector and helping the speed of delivery of HRG's technology strategy. Trading in H2 benefited from global client wins announced this year including Cognizant, Estee Lauder, KUKA and Rolls Royce.

### North America Years ended 31 March

	2018	2017	Change <sup>(2)</sup>	Change (constant exchange rates)
Revenue	£77.6m	£80.0m	(3.0%)	(1.8%)
Share of Group revenue	26.7%	26.5%	+0.2pp	
Operating profit	£11.1m	£12.1m	(8.3%)	(7.4%)
Underlying operating profit <sup>(1)</sup>	£11.3m	£12.5m	(9.6%)	(8.8%)
Share of Group underlying operating profit	30.6%	30.3%	+0.3pp	
Underlying margin <sup>(1)</sup>	14.6%	15.6%	(1.0pp)	
Online adoption	68%	61%	+7pp	
Travel booking activity			(11%)	
Travel spend				(10%)

(1) Before amortisation of acquired intangibles and exceptional items

(2) Actual exchange rates used where applicable

In our travel management business in North America, client activity was lower than prior year, primarily due to the impact of prior year client losses. In addition, clients in both the Energy & Marine, Banking & Finance amongst other corporate services sectors traded down slightly. Several key clients extended their contracts with us during the period, including 21st Century Fox, Bechtel and NetApp, and this region has also benefited from global client wins including LiLAC which began trading in Q3 and Cognizant, Estee Lauder, KUKA and Rolls Royce, which all began trading in Q4. New business from Golders and Experian will commence trading in FY19.

### Asia Pacific Years ended 31 March

	2018	2017	Change <sup>(2)</sup>	Change (constant exchange rates)
Revenue	£15.8m	£17.1m	(7.6%)	(7.0%)
Share of Group revenue	5.4%	5.7%	(0.3pp)	
Operating profit/(loss)	£1.1m	(£0.6m)	+283.3%	+300.0%
Underlying operating profit <sup>(1)</sup>	£1.2m	£0.2m	+500.0%	+550.0%
Share of Group underlying operating profit	3.3%	0.5%	+2.8pp	
Underlying margin <sup>(1)</sup>	7.6%	1.2%	+6.4pp	
Online adoption – Australia	40%	41%	(1pp)	
Travel booking activity – Australia	68%	67%	+1pp	
Travel spend – Australia				(20%)

(1) Before amortisation of acquired intangibles and exceptional items

(2) Actual exchange rates used where applicable

Trading in Australia, our principal market in the region, was impacted by the loss of clients in FY17 and also in H1 of this year. Encouragingly, trading has now started to stabilise. The benefits of our restructuring of HRG's Australian operations contributed to the sharp increases in underlying operating profit and margin for HRG's operations in Asia Pacific during the year.

#### Fraedrom

Through the period up until its sale to Visa in early March 2018, Fraedrom continued to grow strongly in line with its stated strategy, with new and existing banking partners accounting for most of the revenue growth. The results of this discontinued operation up to the date of sale, including the gain recognised on disposal, is shown in the Consolidated Income Statement. Further details are set out in Note 8 of the Financial Statements.

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## STRATEGIC REPORT

### FINANCIAL REVIEW

#### Introduction

During the year, Fraedom was sold to Visa. Accordingly, the IFRS statements included in this report show Fraedom as a discontinued activity, and the comparatives have been adjusted accordingly. Hence, the figures quoted below relate solely to the continuing activities of the Group, namely the travel management operations of HRC, unless otherwise stated.

#### Overview

Revenue from continuing operations of £290.7m was down both at reported and constant exchange rates by 3.7% and 4.5% respectively. Underlying operating profit of £36.9m (2017: £41.2m), which is before amortisation of acquired intangibles of £0.4m (2017: £0.2m) and exceptionals of £22.0m (2017: £3.6m), decreased by £4.3m resulting in the margin decreasing from 13.6% to 12.7% at reported exchange rates. At constant exchange rates underlying operating profit was down 10.7%.

Underlying profit before tax from continuing operations was down by 7.6% to £26.6m while underlying EPS was up by 1.6% from 6.2p to 6.3p.

Reported operating profit from continuing operations was significantly affected by exceptional costs of £19.5m relating to the acquisition of the Group by GBT Holdings and decreased by 61.2% to £14.5m (2017: £37.4m). Reported profit before tax from continuing operations decreased 83.2% from £25.0m to £4.2m and reported EPS was down by 98.1% from 5.3p to 0.1p.

During the year, the Fraedom business was sold to Visa for £141.75m, before cash, debt and working capital adjustments, and both eWings.com and Viking Reisebyrå AS were acquired for £2.6m and £0.6m respectively. Investment in capital expenditure increased by £1.5m and loan issue costs of £1.7m were incurred, following the renewal of the Group's principal banking facility, committed until 30 June 2021. Following the £142.9m gross proceeds including cash, debt and working capital adjustments, received from the sale of the Fraedom Group on 7 March 2018, the Group's net debt position moved into

a positive net cash position of £107.7m at 31 March 2018 (2017: Net debt of £21.0m). Facility debt was fully repaid following the receipt of these monies. Since 31 March 2017, net debt has decreased by £128.7m, principally due to net receipts from acquisitions and disposals of £138.4m.

On an accounting basis, the Group-wide pre-tax pension deficits have decreased by £10.3m to £254.9m since 31 March 2017. The UK Defined Benefit Scheme (the UK Scheme) deficit decreased by £8.9m to £238.4m due to a decrease in liabilities of £7.3m and an increase in the fair value of plan assets of £1.6m. The £7.3m decrease in liabilities includes changes in financial assumptions of £6.2m, changes in demographics of £3.6m and experience gains of £2.8m, partly offset by increase in liabilities due to change in discount rate (£10.8m). On a post-tax basis, the Group pension deficit at the year-end was £214.3m.

Following agreement with the Trustees, the triennial valuation, based on actuarial values at 31 March 2017 has been suspended pending the outcome of the Acquisition.

Due to the sale of the Hogg Robinson Group to GBT Holdings, no final dividend is proposed.

#### Revenue

Reported revenue decreased by 3.7% to £290.7m, comprised of a decrease of 4.5% at constant exchange rates partly offset by 0.8% favourable currency movements.

#### Operating expenses

Reported operating expenses increased by 4.4% to £276.2m.

Underlying operating expenses, which are before amortisation of acquired intangibles and exceptional items was £253.8m (2017: £260.8m). At constant exchange rates this represented a 3.5% decrease, comprised of a 2.6% decrease in staff costs and 5.6% decrease in other expenses.

#### Underlying operating profit

Underlying operating profit, which is before amortisation of acquired intangibles and exceptional items, decreased by 10.4% from £41.2m to £36.9m, or by 10.7% at

constant exchange rates. Underlying operating profit margin decreased from 13.6% to 12.7%.

#### Exceptional items

Total exceptional costs of £22.0m have been incurred in the year (2017: £3.6m).

£2.5m (2017: £3.6m) related to planned cost reduction programmes and are in respect of redundancy costs and property exit costs of £2.8m (2017: £4.0m), partly offset by a £0.3m (2017: £0.4m) pension curtailment gain that arose as a result of the cost restructuring programme in Switzerland (note 22).

The remaining £19.5m of exceptional costs relate to costs associated with the sale of Hogg Robinson Group to GBT Holdings.

#### Finance costs

Finance costs decreased by £2.3m to £11.0m, reflecting a reduction in interest on bank overdrafts and loans and lower finance costs relating to retirement benefit obligations, partly offset by higher amortisation of loan issue costs in relation to the renewed banking facility in the period and the unwind of present value discounting on the contingent consideration in relation to the acquisition of eWings.com (see note 32 to the financial statements).

#### Taxation

The tax charge of £3.1m (2017: £6.5m) for the year end represents an overall effective tax rate (ETR) of 74% of the reported profit before tax (2017: 26%). The increase in the overall ETR is primarily due to exceptional items that do not attract tax relief. The underlying ETR was 20% (2017: 26%). The decrease in the underlying ETR is primarily due to the US tax rate reduction enacted on 1 January 2018.

#### EPS

Underlying EPS was up by 1.6% from 6.2p to 6.3p. Reported EPS fell by 98% from 5.3p to 0.1p due to exceptional items incurred in connection with the sale of the business to GBT Holdings.

#### Return on capital employed

Return on capital employed is calculated by dividing underlying operating profit



## STRATEGIC REPORT

plus net share of the results of associates and joint ventures by average net assets. Average net assets are based on each of the 12 month ends for the financial year and exclude net cash and debt, pension deficits and tax provisions. Average net assets amounted to £239.5m (2017: £227.2m) compared with £201.3m at the year-end (2017: £223.5m). The return for the year was 18.7% (2017: 22.1%).

### Cash flow for the Group (including discontinued operations)

Free cash inflow, which is the change in net debt before acquisitions and disposals, Employee Benefit Trust share purchases, proceeds from issue of shares, dividends and the impact of foreign exchange movements on net cash and debt balances, was £0.2m (2017: £18.6m).

Cash outflow in respect of working capital was £11.1m (2017: £5.4m). The principal factor behind the £5.7m increase is the effect on creditors arising from the timing of the Easter holidays in each year. The net cash outflow related to interest was £4.1m (2017: £4.2m). Dividends received from equity accounted investments were £0.3m (2017: £0.7m). Loan issue costs in relation to the renewal of the banking facility were incurred in the period of £1.7m. Tax paid in cash was £7.6m (2017: £8.9m). Capital expenditure, which is primarily internal software development and office equipment, was £12.5m (2017: £11.0m). Cash costs for pension deficit reduction were £7.6m (2017: £7.3m). Of the £10.0m (2017: £5.3m) cash outflow in respect of exceptional items, £9.1m was paid relating to current period charges and £0.9m related to prior year exceptional charges.

In addition to free cash flow, other cash flow items are in respect of acquisitions and disposals of £138.4m, representing the disposal of the Fraedom Group net of cash surrendered of £141.6m, the acquisition of eWings.com and Viking, £2.6m and £0.6m respectively, share purchases of £0.9m made by the Employee Benefit Trust (2017: £1.4m), proceeds from share issues £0.8m (2017: nil), £8.7m of dividends paid to shareholders during the year (2017: £8.2m) and £1.1m of adverse foreign exchange related movements (2017: favourable £3.1m).

### Funding and net cash

The principal banking facility is a £150m multi-currency revolving credit facility (RCF) that was renewed in July 2017 and is committed for four years until 30 June 2021, with an interest margin of 1.85% above LIBOR. The RCF is used for loans, letters of credit and guarantees, with interest based on the inter-bank lending rate for the appropriate currency plus a margin. At the end of March 2018, none of the facility was utilised. In addition, the Group has additional uncommitted facilities amounting to around £16m at the year end.

The Group's capital allocation policy provides a robust framework within which the Group can operate, and within which there is liquidity available for our growth strategy.

Net external interest costs were covered 17.3 times by underlying EBITDA (2017: 14.5 times).

Net debt decreased from £21.0m (equivalent to 0.3 times EBITDA for the last 12 months) to a net cash of positive £107.7m in 31 March 2018, principally following the receipt of £142.9m in respect of the sale of Fraedom to Visa.

We continue to operate well within our banking covenants. The principal covenants continue to be measured semi-annually, at the end of March and the end of September, against EBITDA. The covenants require that net interest is covered at least 4.0 times by EBITDA and net debt is less than 3.0 times EBITDA, both on a rolling 12-month basis. The definition of EBITDA for covenant purposes is not materially different from the definition used in these financial statements. Interest charges do not include notional interest on pension deficit or amortisation of upfront costs related to financing arrangements and discounting charges.

### Pensions

The Group-wide pension deficits under IAS 19 have decreased by £10.3m to £254.9m before tax.

The UK Scheme deficit decreased by £8.9m to £238.4m due to a decrease in liabilities of £7.3m and an increase in the

fair value of plan assets of £1.6m. The decrease in liabilities includes an actuarial gain of £1.8m primarily due to changes in inflation of £6.2m, changes in demographics of £3.6m and experience gains of £2.8m, partly offset by an increase in liabilities due to a change in the discount rate (£10.8m) and net interest cost (£13.9m) driven by the change in discount rate and benefits paid out in the year of £20.2m. For several years, the UK Scheme has been closed to new entrants and has capped increases in pensionable salary. The UK defined benefit section was closed to future accrual on 30 June 2013 and replaced with a defined contribution section.

The overseas schemes are primarily in Germany and Switzerland, where the deficit decreased by £1.4m to £16.5m. The overseas schemes' deficit decrease includes an increase of £0.5m relating to foreign exchange. Excluding foreign exchange the overseas schemes' deficit decreased by £1.9m, driven by a decrease in the scheme's liabilities of £1.7m, including the effect of a £0.7m curtailment gain in Switzerland and £0.8m past service credit in Germany, and an increase in scheme's assets of £0.2m. The net deficit of the overseas schemes primarily relates to the German scheme £15.0m (2017: £16.3m).

At 31 March 2018, there was a deferred tax asset of £40.5m (2017: £42.0m) relating to the UK deficit and an asset of £0.1m (2017: £0.1m) relating to the overseas schemes.

### Related parties

Related party disclosures are provided in note 28 to the financial statements.

### Share price

The closing mid-market price at the year-end was 119.0p (2017: 69.5p). During the year the price ranged from 64p to 120.5p per share.

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## STRATEGIC REPORT

SUMMARY INCOME STATEMENT	Years ended 31 March	
	2018 £m	2017 £m
<b>Continuing operations</b>		
Revenue	290.7	302.0
EBITDA before exceptional items	44.6	49.1
Depreciation and amortisation <sup>(1)</sup>	(7.7)	(7.9)
<b>Underlying operating profit</b>	<b>36.9</b>	<b>41.2</b>
Amortisation of acquired intangibles	(0.4)	(0.2)
Exceptional items	(22.0)	(3.6)
<b>Operating profit</b>	<b>14.5</b>	<b>37.4</b>
Share of associates and joint ventures	0.7	0.9
Finance costs	(11.0)	(13.3)
<b>Profit before tax</b>	<b>4.2</b>	<b>25.0</b>
Taxation	(3.1)	(6.5)
<b>Profit for the year:</b>		
– From continuing activities	1.1	18.5
– From discontinued operations	121.3	5.1
	122.4	23.6

SUMMARY BALANCE SHEET	As at 31 March	
	2018 £m	2017 £m
Goodwill and other intangible assets	242.0	256.9
Property, plant, equipment and investments	9.5	12.5
Working capital	(35.4)	(43.0)
Current tax liabilities (net)	(2.4)	(5.2)
Deferred tax assets (net)	40.2	41.6
Net cash/(debt)	107.7	(21.0)
Pension liabilities (pre-tax)	(254.9)	(265.2)
Provisions and other items	(14.9)	(2.9)
<b>Net assets/(liabilities)</b>	<b>91.8</b>	<b>(26.3)</b>

SUMMARY CASH FLOW STATEMENT	Years ended 31 March	
	2018 £m	2017 £m
EBITDA before exceptionals from continuing activities	44.6	49.1
EBITDA before exceptionals from discontinued activities	11.0	11.6
Cash outflow from exceptional items	(10.0)	(5.3)
Working capital movements	(11.1)	(5.4)
Interest paid	(4.1)	(4.2)
Dividends received from equity accounted investments	0.3	0.7
Loan issue costs	(1.7)	–
Tax paid	(7.6)	(8.9)
Net capital expenditure	(12.5)	(11.0)
Pension funding in excess of EBITDA charge	(7.6)	(7.3)
Other movements	(1.1)	(0.7)
<b>Free cash inflow</b>	<b>0.2</b>	<b>18.6</b>
Acquisitions and disposals	138.4	0.5
Employee Benefit Trust share purchases	(0.9)	(1.4)
Proceeds on issue of shares	0.8	–
Dividends paid to external shareholders	(8.7)	(8.2)
Currency translation and other	(1.1)	3.1
<b>Reduction in net debt</b>	<b>128.7</b>	<b>12.6</b>

(1) Excluding amortisation of acquired intangibles



## STRATEGIC REPORT

### CORPORATE RESPONSIBILITY

#### Introduction

We aim to comply with the new Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. In this section, we include information that is intended to help stakeholders understand our position on key non-financial matters including how we do business (together with the Group's policies in respect of anti-bribery and corruption), our treatment of employees and clients, and social and environmental matters.

Non-financial KPIs are used in conjunction with financial KPIs to measure our progress. Details of these can be found on pages 3 to 4.

A description of the Group's principal risks and the impact on business activity, which includes relevant non-financial information, is shown on pages 10 to 11.

#### How we do business

We recognise that our shareholders have invested in our business and the success of our business will directly influence the value of their investment. We work cooperatively with our suppliers and business partners, choosing those who share our values and strive for mutual trust and benefit. We recognise the importance of managing environmental, social and governance risks through our business practices and work hard to maintain our reputation for honesty, integrity and respect for people.

The Group accordingly maintains written policies on a wide range of Corporate Social Responsibility matters at

<http://investors.hoggrobinsongroup.com/hrg/en/investor-relations/CorporateSocialResponsibility>

which, amongst other things, seek to ensure that employees recognise the standards of conduct which are required of them by the Group so as not to put themselves in a position where a conflict of interest can arise. Specifically, the Group maintains a written anti-bribery and corruption policy in respect of which all employees are required to undergo regular training and testing.

#### How we treat our employees

We respect our employees' individuality and diversity, require them to live up to our values and provide the encouragement and opportunity to develop their careers. We recruit and promote on the basis of suitability and merit and recognise the vital role our people play in providing excellent client service. We are committed to attracting, motivating and retaining the best talent.

Hogg Robinson Group supports the principle of equal opportunities and diversity in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, colour, nationality, ethnic or national origin, religion or belief, disability, age, sex, sexual orientation, gender reassignment, marital or civil partnership status, part time or fixed-term status or membership of a trade union. We have a policy of zero tolerance to slavery and human trafficking in our own operations, and we expect the same high standards from all of our contractors, suppliers and other business partners.

A copy of the Company's statement on modern slavery and human trafficking is available from the Investor Relations page of our website [www.hoggrobinson.com](http://www.hoggrobinson.com).

#### Employee profile as at 31 March 2018

Role	Male	Female
Board of Directors	6	2
Senior Management	64	22
Other Employees	1,023	3,088
	<b>1,093</b>	<b>3,112</b>

Senior Management include those employees responsible for the planning, directing or controlling activities of the Group and also individuals who are statutory directors of the corporate entities whose financial information is included in the Group's 2018 consolidated accounts in this annual report.

#### How we treat our clients

We constantly look to offer our clients superior products and services that provide good value. We aim to give them the highest quality service and strive to offer them the best economic and environmental choices.

#### How we behave in our communities

We strive to behave as responsible corporate citizens globally and as good, supportive neighbours in our local communities.

#### How we deal with the environment

The Group's trading activities have only a marginal direct impact on the environment and contribute minimally to pollution.

The Group is committed to conducting its business in a manner that shows responsibility towards the environment and ensuring high standards of health and safety for its employees. The Group 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.

We have calculated our Scope 1 and 2 greenhouse gas emissions in accordance with the methodology of ISO 14064-1 (specification with guidance at the organisation level for quantification and reporting greenhouse gas emissions and removals) and emission factors from UK Government Conversion Factors for Company 2013.

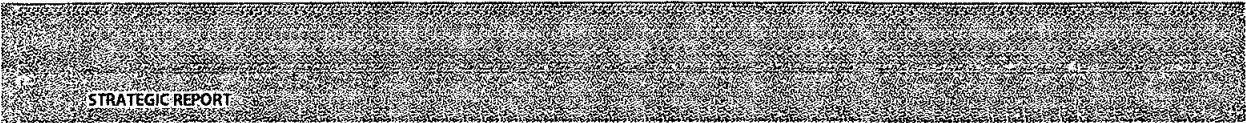
	Unit	2018 Quantity	2017 Quantity
<b>Scope 1</b>			
Gas consumption	Tonnes CO <sub>2</sub> e	985	1,076
Fuel consumption in vehicles owned or leased by Hogg Robinson Group			
<b>Scope 2</b>			
Electricity consumption	Tonnes CO <sub>2</sub> e	1,944	1,986
Imported power, head or stream			
<b>Total emissions</b>		<b>2,929</b>	<b>3,062</b>
<b>Relative emissions, by revenue</b>	Tonnes CO <sub>2</sub> e/£m revenue	<b>10.1</b>	<b>10.1</b>

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**RISK MANAGEMENT**

**Managing risk in our business**

Effective risk management is critical to achieving the Group's strategic objectives. Hogg Robinson Group has a comprehensive system of controls in place to manage risks. We conduct regular reviews of the major risks which may affect our business and its financial performance. Risks are identified, evaluated and mitigated through a combination of a 'top-down' (driven by the Board) and 'bottom-up' (originating from the operations) approach.

Our Group internal audit function undertakes regular reviews across the Group's operations to assess the controls that are in place to mitigate these risks.

**Risk analysis**

Hogg Robinson Group's principal risks can be categorised as either operational and external or financial risks as shown.

The Group's strategy and associated principal risks, which the Board reviews annually, are the basis of the Group's strategic plan. The plan makes certain assumptions about the ability to refinance debt as it falls due and the acceptable performance of the core revenue streams. The plan is stress tested using sensitivity analysis, primarily through reducing revenues and cash flows.

The Board has taken account of its ability to raise new finance in most market conditions and other mitigating actions such as cost reduction programmes and restricting dividend payments.

OPERATIONAL AND EXTERNAL RISKS	MITIGATION
Change in industry business model and development and delivery of new business and new products Risk change →	Review of the strategy of the Group. Effective prioritisation. Rigid timescales. Client pipeline metrics. Flexible pricing models. Adoption of a simplified online model, e.g. eWings.com.
Competitive environment Risk change →	Ongoing training and development of staff. Ongoing investment in technology. A focus on high service levels at competitive prices.
Corruption or reputation risk Risk change →	Formal policies for business conduct, and contract and procurement procedures. Continuous review of business processes and systems to ensure integrity of operations. Appropriate communication and diligence with clients, suppliers, partners and other stakeholders. Whistle-blowing process.
Cyber Risk change ↑	Effective firewalls. Effective user security. Effective network and data centre provider controls. Critical business systems outsourced through data centres.
Loss of a major client Risk change ↑	A diversified client portfolio, both geographically and by industry sector. Close relationships with our clients to determine and adapt ourselves to their current needs. Dedicated account management team for major clients. Heightened sensitivity of client service satisfaction levels and the need to address specific concerns arising from the Acquisition.
Loss of a supplier Risk change →	A diverse network of suppliers. Close working relationship with key suppliers in all markets.
Retention of key staff Risk change ↑	Remuneration policies set with the help of independent advice. Formal staff appraisals and succession planning process. Development programmes for identified individuals. Experienced Remuneration Committee membership (further information can be found in the Governance section on page 14).
Significant economic or other crisis Risk change →	Formal client contracts covering changes in activity levels. A diversified client portfolio, both geographically and by industry sector. A business model that allows operating costs to be adjusted quickly. Diversified supplier relationships.



## STRATEGIC REPORT

### OPERATIONAL AND EXTERNAL RISKS

### MITIGATION

Technology or systems failure

Risk change →

Diversification through the use of bespoke technology and third party systems.

Strong central support for technology in the most significant parts of the business.

Regular review of the performance of technology suppliers.

Rigorous user testing of new technology products.

Ongoing development and communication of business continuity and disaster recovery plans across the Group.

Volatility of client activity or transactions risk

Risk change →

Formal client contracts covering changes in activity levels.

A business model that allows operating costs to be adjusted quickly.

Policies and procedures in place for all significant business processes.

### FINANCIAL RISKS

### MITIGATION

Access to funding at affordable rates

Risk change ↓

Strong relationships with a number of banks and other finance providers.

The principal bank facility is committed until June 2021.

Interest rate swap to fix rates at low levels.

Maintenance of additional uncommitted facilities.

Reduction in net debt.

Strong control by the Central Treasury team.

Changes to industry payment structures

Risk change →

Client contracts reflecting linkage between debtor and creditor periods.

Continue migration to credit card, avoiding industry payment structures.

Maintain relationship with industry members.

Cost and capital control

Risk change →

A comprehensive annual budgeting process.

Major expenditure is approved by the Board.

Monthly reporting including budget and prior-year variances.

Monthly re-forecasting with sensitivity analysis.

Capital allocation policy.

Increased pension funding

Risk change ↑

The principal UK defined benefit scheme is closed to future accrual.

Professional independent advice is taken.

Funding for the principal UK scheme is reviewed and agreed every three years. The next review of the scheme will be effective April 2017.

Implementation of Long Term Funding Target and Strategy.

The Strategic Report on pages 3 to 11 has been approved by the Board of Directors and signed on its behalf by:

Keith Burgess  
Company Secretary

20 July 2018

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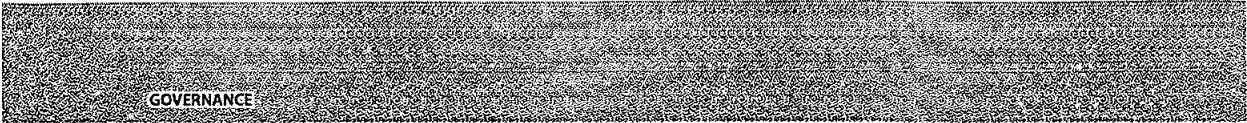
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## REMUNERATION REPORT

### Annual Remuneration Committee Chairman's Statement

On behalf of the Board I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2018:

The current Remuneration Policy was approved by shareholders at the 2016 AGM. Remuneration plans and decisions implemented during FY18 have either been fully consistent with the approved Policy, or made subject to shareholder agreement to the exceptional discretion which the Committee was minded to exercise. Specific instances where agreement was sought and given by shareholders are summarised in this report.

Attention is drawn to the following FY18 headlines:

- As I reported last year, Board level pay was increased by 2% with effect from 1 April 2017 with the exception of the CFO whose salary was increased to £270k in accordance with the decision of the Remuneration Committee which was taken at the time of her appointment in 2015.
- PSP Awards were also made to the Executive Directors in June 2017 in accordance with proposals set out in last year's report. Details of those awards are set out on page 17 of this report and in Note 30 to the financial statements.
- As shareholders are now aware, the Company has undertaken two significant corporate transactions during the year, neither of which were in contemplation either at the time when remuneration strategy was considered in respect of the financial year ending 31 March 2018, nor when the Company's new strategy was communicated to shareholders in May 2017.

Following separate approaches from Visa (to acquire the Freedom business) and GBT Holdings (in respect of a potential offer for the Group as a whole) the Remuneration Committee reconsidered the remuneration arrangements of the Executive Directors and certain employees of the Group, having determined that it was potentially in the best interests of shareholders to pursue both of these possible transactions, but that it was also vital to continue to manage the business according to the new strategy as communicated to shareholders in May 2017 in order to protect longer term performance should neither of those transactions ultimately prove to be viable.

Accordingly, the Committee determined possible actions which it might consider as being in the best interests of shareholders and, having consulted with, and received written confirmation from GBT Holdings that it would not object to those proposals, the Committee determined to exercise certain discretions as set out in (a) the announcement which was made by GBT Holdings on 9 February 2018, and (b) as part of the Scheme of Arrangement as described in the circular which was sent to shareholders on 15 February 2018.

As shareholders will be aware, the Scheme of Arrangement, and the discretions exercised by the Committee, were overwhelmingly approved by shareholders at the Court Meeting and subsequent General Meeting of shareholders on 16 March 2018.

The Remuneration Committee is satisfied that it has continued to take a prudent and responsible approach to Executive Director pay, and that the senior management team appropriately reflects this pay philosophy and these principles in the policies and practices cascaded throughout the Company as a whole.

Paul Williams  
Chairman of the Remuneration Committee

20 July 2018

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## REMUNERATION REPORT

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### Directors' Remuneration Policy Report

As described in Significant events on page 3, the Group was acquired by Global Business Travel Holdings Limited on 19 July 2018 and on 20 July 2018, the listing of Hogg Robinson Group plc shares on the premium listing segment of the Official List and the Main Market of the London Stock Exchange was cancelled. On 20 July 2018, following approval and signature of these accounts, Nigel Northridge, Ashley Hubka, John Krumins, Mark Whiteling and Paul Williams stepped down from the Board of Directors.

Details of the Directors' remuneration policy prior to the Acquisition can be found on pages 35 to 41 of the Hogg Robinson Group plc annual report and financial statements for the year ended 31 March 2017 which is available from [www.hoggrobinson.com](http://www.hoggrobinson.com).

### Annual Report on Remuneration

The following section provides details of how Hogg Robinson's remuneration policy was implemented during the financial year ended 31 March 2018 and are being implemented during the financial year ending 31 March 2019.

#### REMUNERATION COMMITTEE MEMBERSHIP

During the year ended 31 March 2018, the Remuneration Committee comprised the independent Non Executive Directors, Paul Williams (Chairman of the Committee), Ashley Hubka, John Krumins, Mark Whiteling and the Chairman of the Company, Nigel Northridge.

The Committee sets the policy framework and objectives for the remuneration of the Executive Directors and other members of Key Management and monitors the performance of Key Management against those objectives.

The Committee's full terms of reference are set out on the Company's website. The Committee met six times during the year.

The Chief Executive and the Company Secretary (who also acts as the Secretary to the Committee) were invited to attend meetings, except when their own remuneration was being discussed. No Director is involved in deciding his or her own remuneration.

#### SUMMARY OF SHAREHOLDER VOTING AT THE 2017 AGM

The votes at the 2017 AGM in respect of the advisory vote on the Annual Report on Remuneration were as follows:

Resolution	Votes in favour		Votes against		Total votes cast	Abstentions
	Number	% of total votes cast	Number	% of total votes cast		
Advisory vote to approve the Annual Report on Remuneration	184,195,639	94.6%	10,474,399	5.4%	194,669,978	1,439,641

(Abstentions are not votes in law and are therefore excluded from the calculation of total votes cast)

#### ADVISERS

During the year the Committee received independent advice on remuneration strategy, incentive design and market data from Kepler, a brand of Mercer. Kepler was appointed by the Committee in 2006 and reports directly to the Chairman of the Remuneration Committee. Kepler provides no other services to the Group, and although Mercer (Kepler's parent company) provided support to the Company in relation to benefits provision, Kepler is regarded as independent by the Committee. Kepler is a member of the Remuneration Consultants Group and is a signatory to and abides by the Code of Conduct for Remuneration Consultants of UK-listed companies, details of which can be found at [www.remunerationconsultantsgroup.com](http://www.remunerationconsultantsgroup.com).

Kepler's total fees for the provision of remuneration services to the Committee in 2018 were £44,801 (2017: £78,594).

#### SINGLE TOTAL FIGURE OF REMUNERATION FOR EXECUTIVE DIRECTORS (AUDITED INFORMATION)

The table below sets out a single figure for the total remuneration received by each Executive Director:

	David Radcliffe		Michele Maher		William Brindle		Kevin Ruffles <sup>3</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
Basic salary	446	437	266	249	290	270	50	293
Taxable benefits <sup>1</sup>	36	35	21	20	27	27	4	21
Pension <sup>2</sup>	98	96	47	44	51	47	11	65
Annual bonus	446	217	270	131	300	136	-	141
Long-term incentives <sup>4</sup>	641	-	273	24	278	-	72	-
Total	1,667	785	877	468	946	480	137	520

1. Taxable benefits comprise a car allowance, life insurance, private health insurance, personal accident insurance, and permanent disability insurance.



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2. Pension During the year (or their term of appointment, as appropriate) the Executive Directors received the following percentages of salary as pension contributions.

	David Radcliffe	Michele Maher	William Brindle	Kevin Ruffles
	22.0%	17.5%	17.5%	22.0%

3. Kevin Ruffles resigned as a Director on 31 May 2017. The 2018 figures included in this table reflect the emoluments up to his date of resignation or the proportion of the year during which he was a Director.

4. Long-term incentives: includes PSP awards based on the vest-date value

- For the year ending 31 March 2018, the figure represents the vesting which occurred conditional only on the Court Sanction having taken place.

- For the year ending 31 March 2017, the figure has been tried up from that disclosed in last year's Annual Report on Remuneration, to reflect the actual vesting outcome of LT awards granted on 25 May 2014 valued at the share price on the vesting date (70.25p on: 25 May 2017), and actual TSR performance over the full 3 year performance period (warranting nil vesting under either of the TSR or EPS elements).

### SINGLE TOTAL FIGURE OF REMUNERATION FOR NON-EXECUTIVE DIRECTORS (AUDITED INFORMATION)

The table below sets out a single figure for the total remuneration received by each Non-Executive Director who held office during the year:

	Base fee		Additional fees		Total	
	2018	2017	2018	2017	2018	2017
Nigel Northridge <sup>1</sup>	£135,000	£135,000	-	-	£135,000	£135,000
Paul Williams <sup>2</sup>	£35,000	£35,000	£5,000	£5,000	£40,000	£40,000
Mark Whiting <sup>3</sup>	£35,000	£35,000	£10,000	£10,000	£45,000	£45,000
John Kruminis	£35,000	£35,000	-	-	£35,000	£35,000
Ashley Hubka <sup>4</sup>	£35,000	£23,333	-	-	£35,000	£23,333

1. Nigel Northridge was appointed to the Board an annual fee of £135,000. He receives no other additional fees.

2. Paul Williams' additional fees relate to his role as the Chairman of the Remuneration Committee.

3. Mark Whiting's additional fees relate to the roles he assumed on 24 July 2015 as the Senior Independent Director and Chairman of the Audit Committee.

4. Ashley Hubka was appointed to the Board on 1 August 2016.

### INCENTIVE OUTCOMES FOR THE YEAR ENDED 31 MARCH 2018

#### Performance-related annual bonus in respect of 2018 performance

For the year under review, the Executive Directors were eligible to participate in an annual bonus plan. The maximum opportunity was 100% of salary, with 50% of salary payable for on-target achievement. 60% of the bonus was based on the achievement of Group EBIT targets, 20% was based on the achievement of Group Free Cashflow targets, with the balance based on the achievement of personal objectives. In determining whether bonuses are payable in respect of any year, the Committee also has regard to the quality of the Company's earnings.

#### Summary of financial performance under the annual bonus

Measure	Weighting	Performance in the year					Bonus payout
		Below threshold	At threshold	Between threshold and target	At target	Between target and stretch	
Group EBIT	60%						n/a
Group Free Cash Flow	20%						n/a
Personal objectives	20%						n/a

The Remuneration Committee re-assessed these performance measures during the year and, after consulting with and receiving a Rule 21 letter from GBT Holdings, determined that in respect of potential bonuses which were proposed to be paid to certain employees of the Group (including the Executive Directors) for the financial year ending 31 March 2018, the performance targets applicable to those bonuses would be amended such that the annual bonus would become payable in full, but conditional only on the Court Sanction having occurred. As a result, the bonuses which will become payable to the current Executive Directors upon Court Sanction, will be as follows:

- David Radcliffe	£445,707
- Michele Maher	£270,000
- William Brindle	£300,150

The Committee believes that disclosing financial performance targets in respect of the annual bonus scheme would put Hogg Robinson at a competitive disadvantage to its international and privately held competitors, which are not subject to similar disclosure requirements. Given the close link between performance financial targets and Hogg Robinson's longer term strategy, FY18 EBIT and Free Cash Flow targets are not disclosed in this report but will be disclosed retrospectively 2 years after the relevant bonus period. In keeping with this policy, below we set out the EBIT targets for the annual bonus for the financial year ended 31 March 2016:

Measure	Weighting	Threshold	Target	Stretch	Actual	% payout of element
Group EBIT	60%	£44.4m	£45.7m	£47.2m	£45.3m	38%
Personal objectives	20%	-	-	-	-	20%

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## REMUNERATION REPORT

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### Annual Report on Remuneration (continued)

#### VESTING OF 2016 PSP AWARDS (AUDITED INFORMATION)

On 21 May 2015, David Radcliffe, Kevin Ruffles and William Brindle received awards under the PSP. The original performance criteria were that vesting of awards was dependent 50% on three-year total shareholder return (TSR) performance relative to the companies in the FTSE350 Support Services Index, and 50% on three-year cumulative underlying earnings per share (EPS) performance. On 26 November 2015, Michele Maher also received an award under the PSP. As reported in the 2016 Annual Report on Remuneration, in order to ensure that the required performance of the Executive Directors were aligned, the performance targets, conditions and vesting date of these awards made to Michele Maher were identical to those awarded to other Executive Directors in May 2015, notwithstanding the shorter vesting period.

On 16 March 2018, shareholders approved the Scheme of Arrangement under which GBT Holdings has now acquired the entire issued and to be issued shares of the Company. As a result, and subject only to the Court sanctioning the Scheme of Arrangement which was approved by shareholders at the Court and General meetings held on 16 March 2018, the Remuneration Committee determined that the EPS and TSR performance conditions of the 2016 PSP awards would be treated as having been satisfied, and would vest in full irrespective of the normal vesting date of the 2016 awards. The Scheme of Arrangement was sanctioned by the Court on 17 July 2018. The original vesting schedules and performance targets, are nevertheless provided in the table below as a matter of record.

Performance measure	Weighting	Performance targets	Actual performance	Vesting outcome (% of maximum)
TSR vs. FTSE350 Support services index	50%	– 0% vesting if TSR is below the median-performing company of the index – 12.5% vesting if TSR equals the median-performing company; – 50% vesting if TSR exceeds the performance of 80% of the companies; – Straight line vesting between these points	116.2%	50%
Three-year cumulative underlying EPS	50%	– 0% vesting for EPS of less than 22p; – 12.5% vesting for EPS of 22p; – 50% vesting for EPS of 26p or more; – Straight line vesting between these points	22.5p	34.4%
Total PSP vesting which would have been warranted based on the original performance targets.				84.4%

As a result of the discretions exercised by the Remuneration Committee on 8 February 2018 which were approved by shareholders at the Court and General meetings held on 16 March 2018, subject only to the Court sanctioning the Scheme of Arrangement 2016 PSP awards will vest in full. The Scheme of Arrangement was sanctioned by the Court on 17 July 2018. The resulting vesting of the 2016 PSP awards is accordingly as detailed in the following table:

Award	Executive Director	Interest held	Vesting %	Interest vesting	Date vesting	Exercise price	Vest-date value	Value
FY16 PSP	David Radcliffe	795,174	100%	795,174	25 May 2018	Nil	120p	£954,209
	Michele Maher	306,667	100%	306,667	25 May 2018	Nil	120p	£368,000
	William Brindle	433,752	100%	433,752	25 May 2018	Nil	120p	£520,502
	Kevin Ruffles	533,666	100%	533,666	25 May 2018	Nil	120p	£106,733

The long-term incentives value captured in the single figure table for Kevin Ruffles in 2018 captures a pro-rated amount of the estimated value of his FY16 PSP award to reflect the proportion of the vesting period for which he was a Board director.

As disclosed in the 2016 Annual Report on Remuneration, Michele Maher was, prior to her appointment to the Board and in relation to her previous role, made awards under the PSP vesting up to one-third based on EPS performance in the financial year of grant, up to one-third based on EPS performance in the financial year following grant and up to one-third based on EPS performance in the second financial year following grant. There is no retesting on any tranche of this award. The table below sets out the estimated value of tranches of the award granted in May 2015 which vested following the Court Sanction on 17 July 2018.

	Date of grant	Interest held	Vesting %	Interest vesting	Date vesting	Exercise price	Vest-date value	Value
FY15 PSP – tranche 3	21 May 2015	21,811	100%	21,811	21 May 2018	Nil	120p	£26,173

Targets in relation to Michele Maher's FY16 incentives (which were made in connection with her previous role and prior to her appointment to the Board) are not disclosed as these are considered commercially sensitive.



**PSP AWARDS MADE IN THE FINANCIAL YEAR ENDING 31 MARCH 2018 (AUDITED INFORMATION)**

The Committee made the following PSP awards during the year with a face value of 100% of salary.

Executive Director	Date of grant	Awards made during the year	Market price at date of award	Face value at date of award
David Radcliffe	26 May 2017	636,725	70p	£445,707
Michele Maher	26 May 2017	364,286	70p	£255,000
William Brindle	26 May 2017	393,429	70p	£275,400

The awards were eligible to vest in full on the third anniversary of the date of grant subject to the achievement of performance conditions.

On 16 March 2018, shareholders approved the Scheme of Arrangement under which GBT Holdings will, if the acquisition completes, acquire the entire issued and to be issued shares of the Company. As a result, and subject only to the Court sanctioning the Scheme of Arrangement which was approved by shareholders at the Court and General meetings held on 16 March 2018, the Remuneration Committee have determined that the EPS and TSR performance conditions of the PSP awards noted above will be treated as having been satisfied, and will vest in full irrespective of the normal vesting date of such awards. The Scheme of Arrangement was sanctioned by the Court on 17 July 2018.

As a matter of record, the performance targets and vesting schedules which would have applied comprised two measures, relative TSR and cumulative underlying EPS, and are set out in the table below. The three-year period over which TSR performance would have been measured began on the date of grant and would have ended on the third anniversary of the date of grant. The period over which EPS performance would have been measured began on 1 April 2017 and would have ended on 31 March 2020.

Performance measure	Weighting	Performance targets
TSR vs. FTSE350 Support Services Index	50%	<ul style="list-style-type: none"> <li>– 0% vesting for TSR below the median-performing company of the index;</li> <li>– 12.5% vesting for TSR equal to the median-performing company;</li> <li>– 50% vesting for TSR exceeding the performance of 80% of the companies;</li> <li>– Straight line vesting between these points</li> </ul>
Cumulative underlying EPS	50%	<ul style="list-style-type: none"> <li>– 0% vesting for EPS of less than 25p;</li> <li>– 12.5% vesting for EPS of 25p;</li> <li>– 50% vesting for EPS of 30p or more;</li> <li>– Straight line vesting between these points</li> </ul>

**TOTAL PENSION ENTITLEMENTS (AUDITED INFORMATION)**

The following Directors received entitlement to defined benefit pension benefits from the Hogg Robinson (1987) Pension Scheme during the year:

	Age	Transfer value at the start of the period £'000	Accrued benefits earned in the period £'000	Accrued entitlement at the end of the period £'000	Transfer value at the end of the period £'000	Decrease/increase in transfer value less Director's contributions £'000	Accrued benefits net of inflation £'000	Transfer value of increase in accrued benefits less Director's contributions £'000
D J C Radcliffe	65	3,350	–	138	3,192	(158)	–	–
M N Maher	51	1,009	–	51	1,011	2	–	–
K A Ruffles	65	1,358	–	57	1,295	(63)	–	–
W F Brindle	56	874	–	46	863	(11)	–	–
		6,591	–	292	6,361	(230)	–	–

**Notes:**

- (i) On 8 April 2008 David Radcliffe withdrew from the UK scheme taking a pension of £108,793p.a. and a cash lump sum of £883,509, reflecting the fact that he had exceeded the maximum capped entitlement under pensions legislation. Thereafter, David Radcliffe's pension entitlement has been replaced with a direct contribution arrangement under which a non-pensionable payment is made equal to 22% of his base salary. His pension from the UK scheme has subsequently increased to £133,215p.a.
- (ii) On 31 March 2014, Michele Maher withdrew from the UK Scheme, reflecting the fact that she would otherwise exceed the maximum capped entitlement under pensions legislation. Thereafter, her pension entitlement was replaced with a direct contribution arrangement under which a non-pensionable payment is made equal to 17.5% of her salary.
- (iii) On 5 April 2006 Kevin Ruffles withdrew from the UK scheme, reflecting the fact that he had exceeded the maximum capped entitlement under pensions legislation. Thereafter, Kevin Ruffles' pension entitlement was replaced with a direct contribution arrangement under which a non-pensionable payment is made equal to 22% of his base salary. He retired from the scheme on 31 May 2009 taking a pension of £45,062p.a. and a cash lump sum of £347,351. His pension has subsequently increased to £55,187 p.a.
- (iv) On 30 June 2013, Bill Brindle ceased to be an active member under the defined benefit section of the Scheme. Thereafter, his pension entitlement was replaced by membership of the DC section of the Scheme under which he received a non-pensionable payment equal to 17.5% of his salary.

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## REMUNERATION REPORT

Continued

### Annual Report on Remuneration (continued)

#### OUTSIDE APPOINTMENTS IN THE YEAR

David Radcliffe is currently a Non-Executive Director at Winconton plc, and is permitted to retain the fees payable in respect of this appointment.

#### EXIT PAYMENTS MADE IN THE YEAR (AUDITED INFORMATION)

No exit payments were made to Directors in the year.

#### PAYMENTS TO PAST DIRECTORS (AUDITED INFORMATION)

Kevin Ruffles continued to be an employee of the Group following his resignation as a Director on 31 May 2017, and continued to receive his full salary and benefits for the remainder of the financial year ending 31 March 2018. Kevin Ruffles retired from the Company on 31 May 2018.

#### PERCENTAGE CHANGE IN CEO REMUNERATION

The table below shows the percentage change in CEO remuneration from the prior year compared to the average percentage change in remuneration for all other UK based employees.

	CEO			Other UK based employees
	2018 (£000s)	2017 (£000s)	% change	% change
Salary	446	437	2.1%	4.9%
Taxable benefits	36	35	2.9%	3.9%
Annual bonus	446	217	205.6%	191.7%

The UK employee workforce was chosen as a suitable comparator group as David Radcliffe is based in the UK (albeit with a global role and responsibilities) and pay changes across the Group vary widely depending on local market changes.

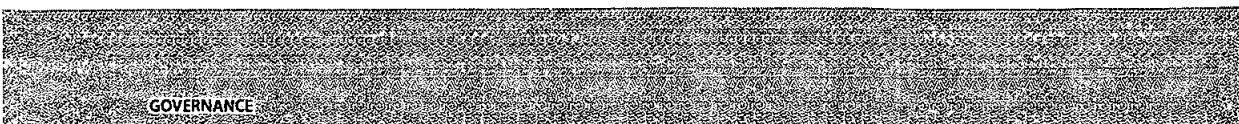
#### RELATIVE IMPORTANCE OF SPEND ON PAY

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (i.e. dividends and share buybacks) from the prior year.

	2018 £m	2017 £m	% change
Distribution to shareholders	8.7	8.2	6.1%
Employee remuneration <sup>1</sup>	185.4	180.8	2.5%

1) Represents an average monthly number of staff employed during the year of 4,205 (2017: 4,360).

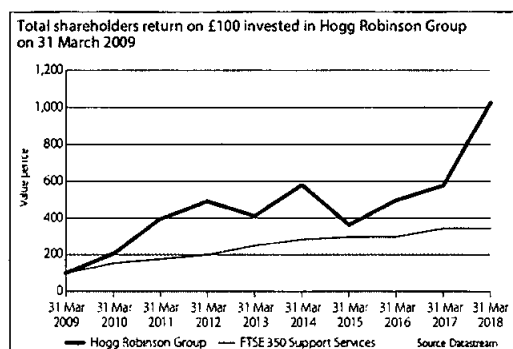
2) The figures for 2018 reflect the interim dividend paid to Shareholders on 8 January 2018. No final dividend is proposed for the year ended 31 March 2018 in light of the recommended offer by GBT Holdings to acquire the Group.



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**PAY FOR PERFORMANCE**

The graph below shows the TSR of the Company over the nine-year period to 31 March 2018. The FTSE 350 Support Services Index has been chosen as a suitable comparator against which to measure the Company's return to shareholders on the basis of it comprising companies in broadly similar business activities to the Company.



The table below details the CEO's single figure remuneration and actual variable pay outcomes over the same period.

David Radcliffe	2011	2012	2013	2014	2015	2016	2017	2018
CEO single figure of remuneration (£000)	1,188	1,838	1,625	1,053	600	983	785	1,667
Annual bonus outcome (% of maximum)	81%	99%	0%	30%	10%	58%	50%	100%
LTI vesting outcome (% of maximum)	67%	100%	98%	68%	0%	31%	0%	100%

**IMPLEMENTATION OF REMUNERATION POLICY FOR THE FINANCIAL YEAR ENDING 31 MARCH 2019**

**Basic salary**

The Remuneration Committee has approved a 2% salary increase in respect of David Radcliffe, Michele Maher and William Brindle effective 1 June 2018 in line with the broader employee population.

Executive Director	Basic salary At 1 June 2018	Basic salary At 1 July 2017	Percentage increase
David Radcliffe	£454,621	£445,707	2%
Michele Maher	£275,400	£270,000	2%
William Brindle	£306,153	£275,400 <sup>1</sup>	2%

1. William Brindle's salary was increased to £300,150 with effect from 11 September 2017 reflecting a promotional increase on his appointment as Chief Operating Officer.

**Pension**

The Executive Directors will continue to have the following direct pension contributions, defined as a percentage of salary:

	David Radcliffe	Michele Maher	William Brindle
	22.0%	17.5%	17.5%

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## GOVERNANCE

## REMUNERATION REPORT

Continued

### Annual Report on Remuneration (continued)

#### Annual bonus

The maximum annual bonus opportunity for Executive Directors under the Directors' Remuneration Policy remains unchanged from the opportunity in 2018, at 100% of salary, based 80% on financial measures, and 20% on personal performance. Malus provisions will apply over the performance period in respect of which the bonus is measured, and clawback to apply over a two year period from payout.

#### Long-term incentives

In light of the Acquisition of the Group by GBT Holdings, no PSP awards were made in FY19.

#### Chairman and Non-Executive Director fees

No changes are proposed to the Chairman and Non-Executive Director fees for FY19.

#### DIRECTORS' INTERESTS (AUDITED INFORMATION)

The interests of the Directors and their families in the ordinary shares of the Company as at 31 March 2018 were as follows:

	Ordinary shares at 31 March 2018 Number	Ordinary shares at 31 March 2017 Number
David Radcliffe	3,253,807	3,253,807
Nigel Northridge	100,000	100,000
Michele Maher	99,396	24,784
Kevin Ruffles <sup>2</sup>	636,912	771,711
William Brindle	522,373	416,848
John Krumins	20,000	20,000
Paul Williams	185,000	160,000
Mark Whiteling	125,000	75,000
Ashley Hubka	50,000	50,000

1) There have been no changes to Directors' shareholdings since 31 March 2018.

2) Kevin Ruffles resigned as a Director with effect from 31 May 2017.

#### OTHER INTERESTS

None of the Directors had an interest in the shares of any subsidiary undertaking of the Company or in any significant contracts of the Group.

#### DIRECTORS' SHAREHOLDINGS (AUDITED INFORMATION)

The table below shows the shareholding of each Director against their respective shareholding requirement as at 31 March 2018:

	Shares held			Options held			Shareholding requirement (% salary)	Current shareholding (% of salary/fee)	Req. met?
	Owred outright or vested	Vested but subject to holding period	Unvested and subject to performance conditions	Vested but not exercised	Unvested and subject to performance conditions	Unvested and not subject to performance conditions			
David Radcliffe	3,253,807	-	-	189,277	2,065,186	33,707	100%	869%	YES
Michele Maher	99,396	-	-	-	1,026,097	60,832	100%	44%	Building
William Brindle	522,373	-	-	81,420	1,218,485	-	100%	207%	YES
Kevin Ruffles <sup>1</sup>	636,912	-	-	115,201	958,685	-	100%	214%	YES
Nigel Northridge	100,000	-	-	-	-	-	-	88%	n/a
John Krumins	20,000	-	-	-	-	-	-	68%	n/a
Paul Williams	185,000	-	-	-	-	-	-	629%	n/a
Mark Whiteling	125,000	-	-	-	-	-	-	425%	n/a
Ashley Hubka	50,000	-	-	-	-	-	-	170%	n/a

1) Kevin Ruffles resigned as a Director with effect from 31 May 2017.



## GOVERNANCE

### DIRECTORS' INTERESTS IN THE PSP, CSOP AND SHARES/SAVE SCHEME (AUDITED INFORMATION)

Details of Directors' interests in shares and options under Hogg Robinson Group long-term incentives as at 31 March 2018 are set out in the following tables:

Scheme	Date of grant	Vesting date	Expiration date	Exercise price	Number at 1 April 2017	Granted in 2018	Exercised in 2018	Lapsed in 2018	Number at 31 March 2018	Number at 31 March 2017
<b>David Radcliffe</b>										
FY12 CSOP	27.05.11	27.05.14	27.05.21	57.5p	189,277	-	-	-	189,277	189,277
FY15 PSP	24.05.14	24.05.17	24.11.17	-	567,417	-	-	567,417	-	567,417
FY16 PSP	21.05.15	21.05.18	21.11.18	-	795,174	-	-	-	795,174	795,174
FY17 PSP	25.05.16	25.05.19	25.11.19	-	633,287	-	-	-	633,287	633,287
FY18 PSP	26.05.17	26.05.20	26.11.20	-	-	636,725	-	-	636,725	-
FY18 SAYE	01.10.17	01.10.20	31.03.21	53.4p	-	33,707	-	-	33,707	-
<b>Total</b>					2,185,155	670,432	-	567,417	2,288,170	2,185,155
<b>Michele Maher</b>										
FY15 PSP	24.05.14	24.05.17	24.11.17	-	19,604	-	19,604	-	-	19,604
FY16 PSP	21.05.15	21.05.18	21.11.18	-	43,620	-	21,809	-	21,811	43,620
FY16 PSP	21.05.15	21.05.17	21.11.17	-	100,000	-	100,000	-	-	100,000
FY16 PSP	26.11.15	26.11.18	26.05.19	-	306,667	-	-	-	306,667	306,667
FY17 PSP	25.05.16	25.05.19	25.11.19	-	333,333	-	-	-	333,333	333,333
FY18 PSP	26.05.17	26.05.20	26.11.20	-	-	364,286	-	-	364,286	-
FY14 SAYE	01.10.14	01.10.18	31.03.19	-	28,409	-	-	-	28,409	28,409
FY15 SAYE	01.10.15	01.10.19	31.03.20	-	15,570	-	-	-	15,570	15,570
FY18 SAYE	01.10.17	01.10.20	31.03.21	53.4p	-	16,853	-	-	16,853	16,853
<b>Total</b>					847,203	381,139	141,413	-	1,086,929	847,203
<b>William Brindle</b>										
FY12 CSOP	27.05.11	27.05.14	27.05.21	57.5p	81,420	-	-	-	81,420	81,420
FY15 PSP	24.05.14	25.05.17	24.11.17	-	309,515	-	-	309,515	-	309,515
FY15 PSP	21.05.14	21.05.17	21.11.17	-	200,000	-	200,000	-	-	200,000
FY16 PSP	21.05.15	21.05.18	21.11.18	-	433,752	-	-	-	433,752	433,752
FY17 PSP	25.05.16	25.05.19	25.11.19	-	391,304	-	-	-	391,304	391,304
FY18 PSP	25.05.16	25.05.19	25.11.19	-	-	393,429	-	-	393,429	-
<b>Total</b>					1,415,991	393,429	200,000	309,515	1,299,905	1,415,991
<b>Kevin Ruffles<sup>1</sup></b>										
FY12 CSOP	27.05.11	27.05.14	27.05.21	57.5p	115,201	-	115,201	-	-	115,201
FY15 PSP	21.05.14	21.05.17	21.11.17	-	380,812	-	-	380,812	-	380,812
FY16 PSP	21.05.15	21.05.18	21.11.18	-	533,666	-	-	-	533,666	533,666
FY17 PSP	25.05.16	25.05.19	25.11.19	-	425,019	-	-	-	425,019	425,019
<b>Total</b>					1,454,698	-	115,201	380,812	958,685	1,454,698

<sup>1)</sup> Kevin Ruffles resigned as a Director with effect from 31 May 2017.

On 24 May 2013, executives were granted awards under the PSP which vested during the year under review. Vesting of these awards was dependent 50% on Hogg Robinson Group's 3-year cumulative EPS performance and 50% on Hogg Robinson Group's 3 year TSR performance relative to the constituents of the FTSE350 Support Services Index. Under the EPS element, 25% vests for 25.0p over 3 years and 100% vests for 30.5p.

Hogg Robinson Group's 3-year cumulative EPS to FY16 was 21.6p so the awards under this element lapsed. Under the TSR element, 25% vests for achieving median vs. the comparators and 100% vests for achieving 80th centile. Hogg Robinson Group's 3-year TSR percentile rank to 23 May 2016 was 64.5%, warranting the vesting of 61.25% of this element. Overall, vesting was 30.625% of maximum.

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## REMUNERATION REPORT

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### Annual Report on Remuneration (continued)

All unvested PSP awards were intended to vest subject to 50% on Hogg Robinson Group's 3-year cumulative EPS performance and 50% on Hogg Robinson Group's 3-year TSR performance relative to the constituents of the FTSE350 Support Services Index. As a result of the discretions exercised by the Remuneration Committee on 8 February 2018 which were approved by shareholders at the Court and General meetings held on 16 March 2018, subject only to the Court sanctioning the Scheme of Arrangement, all unvested PSP awards will vest in full. The Scheme of Arrangement was sanctioned by the Court on 17 July 2018. As a matter of record, the original performance conditions attached to awards which were outstanding on 31 March 2018 are summarised in the table below:

Scheme	Element	Performance period	Performance level*	
			Threshold	Maximum
FY16 PSP	TSR	21/05/15 – 20/05/18	Median	80th centile
	EPS	01/04/15 – 31/03/18	22.0p	26.0p
FY17 PSP	TSR	26/05/16 – 25/05/19	Median	80th centile
	EPS	01/04/16 – 31/03/19	22.9p	27.1p
FY18 PSP	TSR	26/05/17 – 25/05/20	Median	80th centile
	EPS	01/04/17 – 31/03/20	25.0p	30.0p

\* straight-line vesting between Threshold and Maximum performance levels

As a result of the Court order on 17 July 2018 sanctioning the Scheme of Arrangement, all Directors' interests in options under the PSP, CSOP and Sharesave Scheme as at 31 March 2018 vested in full with effect from the date of that order. The shares issued as a result of this vesting have been acquired by GBT Holdings as part of the acquisition of the Group.



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## DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2018.

### RESULTS AND DIVIDENDS

The Group recorded a profit before tax for the year on continuing operations of £4.2m (2017: £25.0m) on revenue of £290.7m (2017: £302.0m).

Full details of the financial performance of the Group during the year are contained in the Strategic Report on pages 3 to 11 and an indication of likely future developments in the business.

The Directors declared an interim dividend of 0.760p per Ordinary Share for the year ended 31 March 2018 (2017: 0.715p) which was paid on 8 January 2019. No final dividend is proposed for the year ended 31 March 2018 (2017: 1.925p per Ordinary Share).

### FUTURE DEVELOPMENTS

As described under Significant Events in the Strategic Report on page 3, Court sanction of the Acquisition occurred on 17 July 2018. On 19 July 2018, the Acquisition was completed and Hogg Robinson Group plc became a wholly-owned subsidiary of Global Business Travel Holdings Limited. On 20 July 2018, the listing of Hogg Robinson Group plc shares on the premium listing segment of the Official List and the Main Market of the London Stock Exchange was cancelled.

### FORWARD-LOOKING INFORMATION

Discussions regarding financial information contained in this Annual Report may contain forward-looking statements with respect to certain plans, current goals and expectations relating to the future financial condition, business performance and results of Hogg Robinson Group. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company. Readers are cautioned that, as a result, the actual future financial condition, business performance and results of the Group may differ materially from the plans, goals and expectations expressed or implied in such forward-looking statements.

### DIRECTORS AND THEIR INTERESTS

The Directors of the Company who were in office during the year<sup>(1)</sup> and up to the date of signing were as follows:

#### Present directors

N H Northridge<sup>(2)</sup> Chairman

D J C Radcliffe Chief Executive

M N Maher Chief Financial Officer

W F Brindle Chief Operating Officer

A E Hubka<sup>(2)</sup>

J J Krumins<sup>(2)</sup>

M A Whiting<sup>(2) (3)</sup>

P M Williams<sup>(2)</sup>

<sup>(1)</sup> Kevin Ruffes was also a director during the year but stepped down from his role as Chief Operating Officer with effect from 31 May 2017.

<sup>(2)</sup> Non-Executive Directors

<sup>(3)</sup> Senior Independent Director

The beneficial interests of the Directors in the shares of the Company are shown in the Remuneration Report on pages 13 to 22. Other than contracts for service there were no significant contracts between the Directors and any member company of the Group during or at the end of the year.

### DIRECTORS' INDEMNITY ARRANGEMENTS

The Company has purchased and maintained Directors' and Officers' liability insurance throughout the year and up to the date of this report 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 by the Companies Act 2006.

### SUBSTANTIAL SHAREHOLDINGS

The Company has no controlling shareholder. As at 31 March 2018, the Company had been notified or is aware of the following interests by shareholders who held more than 3% of the issued share capital of the Company.

	Shares	%
Boron Investments	79,071,684	24.29
dnata	71,261,277	21.89
Teleios Capital Partners	39,301,055	11.99

### SHARE CAPITAL

A total of 2,119,484 (2017: 209,493) shares were allotted during the year as a result of options exercised under the Company Sharesave Scheme or in respect of vested Company Share Options which were exercised during the period.

No other shares have been issued during the year. The Company's authorised, issued, called up and fully paid share capital as at 31 March 2018 is as set out in the table below. There are no treasury shares.

Authorised	Amount	Nominal Value
Number		
513,808,171	£5,138,081.71	£0.01 each

Issued, called up and fully paid	Amount
Number	
327,682,486	£3,276,824.86

At the Annual General Meeting of the Company in 2017, authority was given for the Company to purchase, in the market, up to 32,535,351 Ordinary Shares of 1p each.

The Company did not use this authority to make any purchases of its own shares during the year.

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## DIRECTORS' REPORT

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### POST BALANCE SHEET EVENTS

There have been no other post balance sheet events.

### EMPLOYEES

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

Fair and full consideration is given to applications for employment from disabled persons having regard to their particular aptitudes and abilities. Efforts are made to continue the employment of those who become disabled. Training, career development and promotion opportunities are, as far as practicable, identical for all employees. The Group consistently seeks to recruit, develop and employ suitably qualified, capable and experienced people in an environment of equal opportunity.

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

### FINANCIAL INSTRUMENTS

A statement of the Group's policies in relation to financial instruments is set out in note 1 to the consolidated financial statements.

### POLITICAL DONATIONS AND EXPENDITURE

No contributions were made to political organisations during the current or prior year.

### GREENHOUSE GAS EMISSIONS

A statement of the Group's greenhouse gas emissions is set out in the Strategic Report on page 9.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each Director of the Company confirms that (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and (b) that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Strategic Report on pages 3 to 11, together with the Directors' Report on pages 13 to 24, have been approved by the Board of Directors and signed on its behalf by:

Keith Burgess  
Company Secretary

20 July 2018



CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The Directors are also responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group and parent company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed on page 23 confirms that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the company;
- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the group and parent company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group and parent company's auditors are aware of that information.

By order of the Board

Keith Burgess  
Company Secretary

20 July 2018

Notes:

- The maintenance and integrity of the Hogg Robinson Group plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Consolidated Financial Statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

to the members of Hogg Robinson Group plc

### Report on the Group financial statements

#### OPINION

In our opinion:

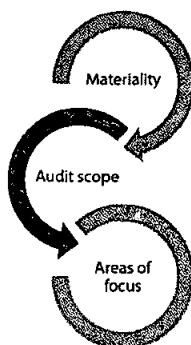
- Hogg Robinson Group plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Parent Company Balance Sheets as at 31 March 2018; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Parent Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

#### OUR AUDIT APPROACH

##### Overview



- Overall group materiality: £1.3 million (2017: £1.8 million), based on 5% of underlying profit before tax.
- Overall parent company materiality: £1.2 million (2017: £1.7 million), based on 1% of net assets, however reduced to £1.2 million to ensure the parent company did not have a higher materiality than the overall Group materiality allocation.
- We conducted audit testing over 9 components, including Fraedom, in 4 countries.
- 7 components, including Fraedom, were subject to an audit of their complete financial information due to their size.
- Specific audit procedures were performed on certain balances and transactions in respect of a further 2 components.
- We obtained coverage of 72% of revenue from continuing operations and 93% of underlying profit before tax.

The key audit matters were:

- Risk of fraud in revenue recognition focused on the accuracy and occurrence of revenue from both clients and suppliers.
- Post-retirement benefit scheme obligations may not be correctly valued or disclosed.
- Capitalisation of internally generated computer software development costs.
- Goodwill impairment assessment.
- Recognition and measurement of deferred tax assets.
- Classification and disclosure of items as exceptional.
- Accounting for the Fraedom business disposal and presentation as a discontinued operation.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### INDEPENDENCE

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company.

Other than those disclosed in note 4 to the financial statements, we have provided no non-audit services to the group or the parent company in the period from 1 April 2017 to 31 March 2018.

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CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

to the members of Hogg Robinson Group plc – continued

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group which were contrary to applicable laws and regulations, including fraud. We designed audit procedures at group and significant component level to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the group and parent company financial statements, including, but not limited to, the Companies Act 2006, pensions legislation, UK tax legislation and equivalent local laws and regulations applicable to significant component teams. Our tests included, but were not limited to, review of the financial statement disclosures to underlying supporting documentation, review of correspondence with regulators, review of correspondence with legal advisors, enquiries of management, review of significant components auditors' work and review of internal audit reports in so far as they related to the financial statements. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.



CONSOLIDATED FINANCIAL STATEMENTS

KEY AUDIT MATTER

Risk of fraud in revenue recognition focused on the accuracy and occurrence of revenue from both clients and suppliers. Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates for further information.

The Group's provision of travel services to its clients drives a number of revenue streams including service fees earned from clients, revenue and commissions from suppliers and sale of software licences.

The Group's provision of technology services drives revenue from fees earned from clients in respect of development and implementation work undertaken and usage and hosting fees.

The recognition of revenue from these sources is largely dependent on the terms of the underlying contracts with the customer, the supplier or both.

The accuracy and occurrence of revenue recognised under these contracts is considered to be a risk. The contracts can be complex and relatively bespoke both in terms of their fee structures and the range and mix of services provided. Agreements with suppliers also require estimation of the likelihood of various targets, including transaction volumes, travel mix and market share, being achieved under sales and marketing agreements, incentive arrangements and distribution and system usage agreements.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We assessed the consistency of the application of the revenue recognition policy across all operating locations in scope for the Group audit by performing the procedures below.

We performed detailed testing of revenue transactions at all in scope locations, with the exception of HRG Debtco Limited which does not generate revenue. This includes review of significant contracts, both client and supplier, recalculation of revenue recognised based on transactional data and contractual terms, agreement to cash receipt or external confirmation where available, and testing contractual milestones to determine whether specific criteria for recognition have been met.

We evaluated the relevant IT systems and also tested the internal controls over the occurrence and accuracy of revenue recognised in the financial statements.

Judgement is required in determining revenue to be accrued at the year end, in particular for supplier incentive income where bonus or payment thresholds are set based on contract periods which are not coterminous with the financial year end. We have focused on those judgements, including assessing the reasonableness of data used in calculating the accrual, considering the level of prior period true ups in the year, and comparing to external information such as airline data where available. We also obtained confirmations from certain suppliers used by three in-scope reporting units of the terms of their incentive agreements. We found no material misstatements from our testing.

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## INDEPENDENT AUDITORS' REPORT

to the members of Hogg Robinson Group plc – continued

### KEY AUDIT MATTER

#### Post-retirement benefit scheme obligations may not be correctly valued or disclosed

Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates, and Note 22.

The Group has a defined benefit pension deficit of £254.9m.

Valuation of the gross liabilities of £574.0m requires significant levels of judgement and technical expertise in choosing the appropriate assumptions to measure it. Changes in key assumptions (including discount rate, mortality, inflation and pensions increases) can have a material impact on the calculation of the liabilities either individually or in combination. Management use independent actuaries to prepare the year end valuation under International Accounting Standard 19, 'Employee benefits' ('IAS 19'). We involve specialists in assessing the reasonableness of the assumptions used.

We focused on the reasonableness of the assumptions used in the calculations of the defined benefit liability, the valuation of assets held by the schemes and the disclosure of post-retirement benefit scheme obligations.

#### Capitalisation of internally generated computer software development costs

Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates, and Note 11.

The Group spends material amounts on developing technology solutions, some in support of its core business products and services, and some for specific customer contracts. This expenditure is capitalised when the development projects meet the criteria of International Accounting Standard 38, 'Intangible Assets' ('IAS 38'). In the period, £10.1m was capitalised in respect of internally generated computer software.

As per IAS 38, for an asset to be recognised, the following criteria, inter alia, must be met:

- It must be probable that economic benefits will flow to the Group from the asset being developed;
- The cost of the asset must be reliably measured; and
- The technical feasibility of the asset must be appropriately demonstrated

The risks are that expenditure may be capitalised inappropriately, for example when there is insufficient evidence of the above criteria and that the intangible assets recognised may be impaired.

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We assessed the reasonableness of actuarial assumptions and the overall pension liability calculations by comparing the key assumptions, including the discount rate and inflation rate, mortality and pensions increases, to benchmark ranges, performing sensitivity analysis, checking whether methods have been consistently applied and assessing the impact of the assumptions in combination with one another.

We involved our specialists in our assessment of the UK scheme mortality assumptions which had been prepared for the company by its external experts. We agreed that the judgements taken by management were reasonable.

We obtained external confirmations to test the existence of pension assets, and performed testing over the valuation of those assets at 31 March 2018. We found no material misstatements from our testing.

We reviewed the disclosure of post-retirement scheme obligations against the requirements of IAS 19 and were satisfied with the nature and extent of the disclosures provided.

We focused on the Group's compliance with IAS 38 for amounts capitalised to assess whether amounts had been appropriately capitalised or expensed, and also evaluated management's impairment assessment.

We obtained an understanding of the software under development and checked a sample of the amounts capitalised to timesheet records or other supporting documents. We found no material exceptions.

We evaluated the recoverability of internally generated software, and also obtained evidence regarding the continuing expected benefit of previously capitalised expenditure, by assessing management's projections of the future economic benefits to be generated by those assets in comparison with underlying accounting records and business performance. No indications of potential impairment were identified.



**CONSOLIDATED FINANCIAL STATEMENTS**

**KEY AUDIT MATTER**

**Goodwill impairment assessment**

*Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates, and Note 11.*

The goodwill balance of £227.3m is subjected to an annual impairment review. No impairment charge has been recorded by management against the goodwill balance in the current financial year. The risk that we focussed on in the audit is that the goodwill balance may have been impaired in value and this has not been recognised.

The HRG business has experienced a challenging trading period. Hence, cash flow forecasts have been an area of particular focus.

**Recognition and measurement of deferred tax assets**

*Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates, and Note 21.*

The Group has deferred tax assets of £45.1m in the balance sheet at 31 March 2018, including £40.6m relating to the defined benefit pension liability. There is judgement involved in the recognition of tax losses around the Group and in the assessment of whether deferred tax assets will be utilised in future periods.

We focused on this area because it is dependent on management's assessment of the probability that there will be sufficient appropriate taxable profits in relevant jurisdictions available in future against which to realise the deferred tax assets.

**HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER**

We checked the profit forecasts used by management in the assessment of goodwill impairment were consistent with the Board approved three year plan. We evaluated the historical accuracy of management's forecasts for the last three years, including a comparison of the current year actual results with the FY18 figures included in the prior year forecast. Where there are significant differences between FY18 actual results and FY19 budget, we have performed enquiry to understand the changes and have concluded that FY19 budgets are reasonable. We found that the forecasts had been completed on a basis consistent with prior years and were an appropriate basis upon which management could base their conclusions.

For all CGUs we tested management's assumptions in the forecasts for:

- long term growth rates, by comparing them to historical results, and economic and industry forecasts; and
- the discount rate, by assessing the cost of capital for the company and comparable organisations.

We found the assumptions to be consistent and in line with our expectations based on industry benchmarks.

We obtained and understood management's sensitivity calculations over all their identified CGUs. We determined that the calculations were most sensitive to assumptions for growth rates and discount rates. For all CGUs, we calculated the degree to which these assumptions would need to move before an impairment was triggered. We discussed the likelihood of such a movement with management and agreed with their conclusion that there was no reasonable possibility.

We also noted that management's valuation is not significantly different from the value of the offer received for the Group from Global Business Travel Holdings Limited ('GBT Holdings'). This further supports the reasonableness of management's valuation as it is consistent with GBT Holdings third-party valuation of the business.

We understood the nature of the different deferred tax assets recognised and obtained evidence to support the rationale on which the deferred tax assets have been recognised.

We tested and challenged management's supporting calculations for the level of deferred tax assets held. We found no material misstatements from our testing.

Where the recoverability of deferred tax assets is dependent on future profits, and particularly in light of accelerated share based payment charges and the planned increase in annual pension deficit funding, we focused on the availability of sufficient appropriate taxable profits. We checked that the profit forecasts used were consistent with those that we subjected to scrutiny as part of the goodwill impairment review. We found that the recognition of deferred tax assets was supported by management's assessments of future profitability in key locations around the Group.

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CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

to the members of Hogg Robinson Group plc – continued

### KEY AUDIT MATTER

**Classification and disclosure of items as exceptional**  
*Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates, and Note 4.*

The Group has classified costs of £22.3m and a credit of £0.3m as exceptional, resulting in a net charge of £22.0m as "exceptional" in the income statement. Of this, £19.5m are costs in respect of the planned takeover of the Group by GBT Holdings. In addition to legal and professional fees, this includes management bonuses (£3.2m), accelerated share option charges which have arisen due to the assumed vesting of all outstanding options on sale (£5.1m), and the accelerated amortisation of loan issue costs (£1.4m). The remaining £2.8m consists of redundancy and property costs incurred as part of the three-year restructuring programme which commenced in FY16, partly offset by a £0.3m pension curtailment gain.

The classification of costs as exceptional remains an area of focus, and we considered whether items classified as such are genuinely non-recurring items which are material in nature.

### HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We considered the classification of these items, in light of FRC guidance to companies, and concurred with their treatment as 'above the line' exceptionals.

We selected a sample of costs classified as exceptional and obtained evidence to support the amounts recognised and that they were incurred directly as a result of the planned takeover of the Group by GBT Holdings or as a result of the Group's three-year restructuring programme. In the case of redundancy costs, we confirmed that notification was made to the impacted employees within the period to 31 March 2018. No material exceptions were noted from our procedures performed.

We reviewed narrative disclosures around the net exceptional costs incurred, and were satisfied with the nature and extent of the commentary provided.

**Accounting for the Fraedom business disposal and presentation as a discontinued operation**  
*Refer to Note 1 to the financial statements for the Directors' disclosures of the related accounting policies, judgements and estimates, and Note 8*

On 7 March 2018, the Group disposed of its interest in its SaaS technology business, Fraedom. Under the requirements of IFRS 5 'Non-current assets held for sale and discontinued operations' (IFRS 5), the results for the period in the year gain generated on sale of the Fraedom business is separately presented as a discontinued operation at the year end. This was an area of focus given the material and one-off nature of this business disposal.

Fraedom was included in our audit scope as a separate component subject to audit, for the period from 1 April 2017 to the date of disposal of 7 March 2018. No material findings arose from our work.

We traced the cash received to the underlying sale and purchase agreement and to bank statements, noting a total of £142.89m was received in March 2018 with the remaining £151k received post year end.

We also tested the classification of amounts deemed to be costs associated with the disposal, with no exceptions to report from our work.

We considered the disclosure of Fraedom as a discontinued operation against the requirements of IFRS 5, and noted no exceptions.

We determined that there were no key audit matters applicable to the parent company to communicate in our report.



## CONSOLIDATED FINANCIAL STATEMENTS

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The Group comprises three geographical corporate travel segments (Europe, North America and Asia Pacific), each of which comprise a number of trading subsidiaries. The Group's technology business, Fraedom, was disposed of in March 2018. The group financial statements are a consolidation of 43 reporting units included within continuing operations and 5 reporting units within discontinued operations, comprising the group's operating locations within these segments and centralised functions.

We conducted audit work over 9 components, including Fraedom. Of these, seven were in full scope, being UK, Germany, Canada, USA, Hogg Robinson plc, Farnborough Limited and Fraedom. Fraedom was individually in full scope as it makes up the discontinued operation. The UK is the only financially significant component. HRG Debtco Limited and Sweden were in scope for specified procedures, over external debt, and revenue and cash held respectively.

The Group consolidation, financial statement disclosures and a number of complex items, including pensions, taxation and goodwill impairment assessment were audited at the head office.

For all full scope audit components, we reviewed the component teams audit working papers. In addition, we attended audit clearance meetings with Group management for all in scope components.

Taken together, the components and group function where we performed audit work account for 72% of group revenues from continuing operations and 93% of underlying profit before tax.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	GROUP FINANCIAL STATEMENTS	PARENT COMPANY FINANCIAL STATEMENTS
Overall materiality	£1.3 million (2017: £1.8 million).	£1.2 million (2017: £1.7 million).
How we determined it	5% of underlying profit before tax.	1% of net assets.
Rationale for benchmark applied	Underlying PBT is defined as earnings before tax, exceptionals and the amortisation of acquired intangibles. We consider this adjusted profit figure to be the most appropriate benchmark, as it is the profit measure which is given most emphasis and significance in this annual report.	We believe that net assets is the appropriate measure as the parent company is a non-profit oriented entity with predominantly intercompany transactions. In the current year, overall materiality has been reduced to £1.2 million to ensure the parent company did not have a higher materiality than the overall group materiality allocation.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £0.2 million and £1.2 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.1 million (group audit) (2017: £0.1 million) and £0.1 million (parent company audit) (2017: £0.1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

to the members of Hogg Robinson Group plc – continued

### CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

### REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06) and ISAs (UK) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006 (CA06).

### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

**Responsibilities of the directors for the financial statements**  
As explained more fully in the Statement of Directors' Responsibilities set out on page 26, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**  
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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



CONSOLIDATED FINANCIAL STATEMENTS

Other required reporting

**COMPANIES ACT 2006 EXCEPTION REPORTING**

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

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

We have no exceptions to report arising from this responsibility.

**APPOINTMENT**

Following the recommendation of the Audit Committee, we were appointed by the Directors on 9 October 2006 to audit the financial statements for the year ended 31 March 2007 and subsequent financial periods. The period of total uninterrupted engagement is 12 years, covering the years ended 31 March 2007 to 31 March 2018.

Jaskamal Sarai (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

20 July 2018

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2018

	Notes	Years ended 31 March	
		2018 £m	2017 £m
<b>Continuing operations</b>			
Revenue	3	290.7	302.0
Operating expenses	4	(276.2)	(264.6)
Operating profit		14.5	37.4
Analysed as:			
Underlying operating profit		36.9	41.2
Amortisation of acquired intangibles	11	(0.4)	(0.2)
Exceptional items	4	(22.0)	(3.6)
Operating profit		14.5	37.4
Share of results of associates and joint ventures	13	0.7	0.9
Finance costs	6	(11.0)	(13.3)
Profit before tax		4.2	25.0
Income tax expense	7	(3.1)	(6.5)
Profit for the financial year from continuing operations		1.1	18.5
<b>Discontinued operations</b>			
Profit for the year from discontinued operations (attributable to equity holders of the Company)	8	121.3	5.1
Profit for the year		122.4	23.6
Profit attributable to:			
Owners of the Company		121.5	22.3
Non-controlling interests	25	0.9	1.3
		122.4	23.6

		Years ended 31 March	
		2018 pence	2017 pence
<b>Earnings per share from continuing operations</b>			
Basic earnings per share	9	0.1	5.3
Diluted earnings per share	9	0.1	5.2
<b>Earnings per share from discontinued operations</b>			
Basic earnings per share	9	37.4	1.6
Diluted earnings per share	9	35.8	1.5

The notes on pages 41 to 86 are an integral part of these Consolidated Financial Statements.



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Year ended 31 March			Year ended 31 March		
	Other reserves £m	Accumulated losses £m	2018 £m	Other reserves £m	Accumulated losses £m	2017 £m
<b>Profit for the year</b>	-	122.4	122.4	-	23.6	23.6
<b>Other comprehensive (expense)/income</b>						
<b>Items that will not be subsequently reclassified to profit or loss</b>						
Remeasurements on defined benefit pension schemes	-	8.6	8.6	-	(5.0)	(5.0)
Deferred tax movement on pension liability	-	(1.2)	(1.2)	-	0.6	0.6
Deferred tax movement on pension liability attributable to impact of UK rate change	-	-	-	-	(2.3)	(2.3)
<b>Items that may be subsequently reclassified to profit or loss</b>						
Currency translation differences	(9.1)	-	(9.1)	14.3	0.5	14.8
Amounts charged to hedging reserve	-	-	-	0.2	-	0.2
<b>Other comprehensive (expense)/income for the year, net of tax</b>	(9.1)	7.4	(1.7)	14.5	(6.2)	8.3
<b>Total comprehensive income for the year</b>	(9.1)	129.8	120.7	14.5	17.4	31.9
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(9.2)	128.9	119.7	14.5	16.1	30.6
Non-controlling interests	0.1	0.9	1.0	-	1.3	1.3
	(9.1)	129.8	120.7	14.5	17.4	31.9
<b>Total comprehensive income attributable to equity shareholders arises from:</b>						
Continuing operations	(6.4)	8.5	2.1	12.9	12.3	25.2
Discontinued operations	(2.7)	121.3	118.6	1.6	5.1	6.7
	(9.1)	129.8	120.7	14.5	17.4	31.9

The notes on pages 41 to 86 are an integral part of these Consolidated Financial Statements.

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## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

As at 31 March 2018

	Notes	As at 31 March	
		2018 £m	2017 £m
<b>Non-current assets</b>			
Goodwill and other intangible assets	11	242.0	256.9
Property, plant and equipment	12	5.1	8.4
Investments accounted for using the equity method	13	4.4	4.1
Trade and other receivables	15	0.4	0.3
Deferred tax assets	21	45.1	45.2
		<b>297.0</b>	<b>314.9</b>
<b>Current assets</b>			
Trade and other receivables	15	99.5	106.5
Financial assets – derivative financial instruments	16	0.2	0.3
Current tax assets		0.8	0.7
Cash and cash equivalent assets	17	107.8	35.1
		<b>208.3</b>	<b>142.6</b>
<b>Total assets</b>	3	<b>505.3</b>	<b>457.5</b>
<b>Non-current liabilities</b>			
Financial liabilities – borrowings	18	–	(45.6)
Deferred tax liabilities	21	(4.9)	(3.6)
Trade and other payables	19	(3.1)	(1.5)
Retirement benefit obligations	22	(254.9)	(265.2)
Provisions	20	(2.0)	(2.1)
		<b>(264.9)</b>	<b>(318.0)</b>
<b>Current liabilities</b>			
Financial liabilities – borrowings	18	(0.1)	(10.1)
Financial liabilities – derivative financial instruments	16	(0.1)	(0.3)
Current tax liabilities		(3.2)	(5.9)
Trade and other payables	19	(132.2)	(148.3)
Provisions	20	(13.0)	(1.2)
		<b>(148.6)</b>	<b>(165.8)</b>
<b>Total liabilities</b>		<b>(413.5)</b>	<b>(483.8)</b>
<b>Net assets (liabilities)</b>		<b>91.8</b>	<b>(26.3)</b>
<b>Equity</b>			
Share capital	23	3.3	3.3
Share premium	23	180.7	179.4
Other reserves	24	15.5	24.7
Accumulated losses	24	(108.6)	(234.8)
Attributable to owners of Hogg Robinson Group plc		90.9	(27.4)
Attributable to non-controlling interests	25	0.9	1.1
<b>Total equity</b>		<b>91.8</b>	<b>(26.3)</b>

The notes on pages 41 to 86 are an integral part of these Consolidated Financial Statements.

The Consolidated Financial Statements on pages 36 to 86 were approved by the Board of Directors on 20 July 2018 and signed on its behalf by:

David Radcliffe, Director  
Registered number: 3946303

Michele Maher, Director



## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Attributable to equity holders of the Company					Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Accumulated losses £m	Total £m		
Balance at 1 April 2017	3.3	179.4	24.7	(234.8)	(27.4)	1.1	(26.3)
Retained profit for the year	-	-	-	121.5	121.5	0.9	122.4
Total other comprehensive (expense)/income	-	-	(9.2)	7.4	(1.8)	0.1	(1.7)
Transactions with owners:							
- Dividends	-	-	-	(8.7)	(8.7)	(1.2)	(9.9)
- Shares purchased by Employee Benefit Trust	-	-	-	(0.9)	(0.9)	-	(0.9)
- Share-based incentives – charge for year	-	-	-	5.0	5.0	-	5.0
- Deferred tax movements on cumulative share-based incentive costs	-	-	-	1.4	1.4	-	1.4
- New shares issued to satisfy share-based incentives	-	1.3	-	0.5	1.8	-	1.8
Total transactions with owners	-	1.3	-	(2.7)	(1.4)	(1.2)	(2.6)
Balance at 31 March 2018	3.3	180.7	15.5	(108.6)	90.9	0.9	91.8

	Attributable to equity holders of the Company					Non-controlling interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Accumulated losses £m	Total £m		
Balance at 1 April 2016	3.3	179.3	10.2	(243.3)	(50.5)	0.6	(49.9)
Retained profit for the year	-	-	-	22.3	22.3	1.3	23.6
Total other comprehensive income/(expense)	-	-	14.5	(6.2)	8.3	-	8.3
Transactions with owners:							
- Dividends	-	-	-	(8.2)	(8.2)	(0.8)	(9.0)
- Shares purchased by Employee Benefit Trust	-	-	-	(1.4)	(1.4)	-	(1.4)
- Share-based incentives – charge for year	-	-	-	1.8	1.8	-	1.8
- Deferred tax movements on cumulative share-based incentive costs	-	-	-	0.2	0.2	-	0.2
- New shares issued to satisfy share-based incentives	-	0.1	-	-	0.1	-	0.1
Total transactions with owners	-	0.1	-	(7.6)	(7.5)	(0.8)	(8.3)
Balance at 31 March 2017	3.3	179.4	24.7	(234.8)	(27.4)	1.1	(26.3)

The notes on pages 41 to 86 are an integral part of these Consolidated Financial Statements.

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## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2018

	Notes	Years ended 31 March	
		2018 £m	2017 £m
<b>Cash flows from operating activities</b>			
Cash generated from operations	29	27.1	42.9
Interest paid		(4.1)	(4.2)
Tax paid		(7.6)	(6.9)
<b>Cash flows generated from operating activities – net</b>		<b>15.4</b>	<b>29.8</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	32	(3.3)	–
Proceeds from sale of discontinued operations, net of cash surrendered		141.6	–
Purchase of property, plant and equipment		(1.9)	(3.3)
Purchase and internal development of intangible assets	11	(10.6)	(7.7)
Dividends received from associates and joint ventures	13	0.3	0.7
Disposals of associates, joint ventures and other investments	13	–	0.5
<b>Cash flows generated from/(used) in investing activities</b>		<b>126.1</b>	<b>(9.8)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(55.7)	(22.0)
Issue costs of new borrowings		(1.7)	–
Cash effect of currency swaps		–	0.6
Proceeds from issue of share capital		0.8	0.1
Purchase of own shares by the Employee Benefit Trust	24	(0.9)	(1.4)
Dividends paid to external shareholders	10	(8.7)	(8.2)
Dividends paid to non-controlling interests	25	(1.2)	(0.8)
<b>Cash flows used in financing activities – net</b>		<b>(67.4)</b>	<b>(31.7)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>74.1</b>	<b>(11.7)</b>
Cash and cash equivalents at beginning of the year		35.0	43.7
Exchange rate effects		(1.3)	3.0
<b>Cash and cash equivalents at end of the year</b>		<b>107.8</b>	<b>35.0</b>
Cash and cash equivalent assets	17	107.8	35.1
Overdrafts	18	–	(0.1)
<b>Cash and cash equivalents at end of the year</b>		<b>107.8</b>	<b>35.0</b>

The notes on pages 41 to 86 are an integral part of these Consolidated Financial Statements.



CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1 General information and summary of principal accounting policies

**BASIS OF PREPARATION: INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Hogg Robinson Group plc is a public limited company, limited by shares, domiciled in the United Kingdom and incorporated in England and Wales. It is the holding company for the Group and its registered office is:

Spectrum Point, 279 Farnborough Road,  
Farnborough, Hampshire GU14 7NJ

Registered Number: 3946303

Hogg Robinson Group plc is listed on the London Stock Exchange.

In accordance with SI 2015/980, 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations' of the Companies Act 2006 a full list of subsidiaries, associates and joint arrangements of the Group is detailed below. With the exception of HRG Debtco Limited, which is wholly owned by the Company, none of the shares in the subsidiaries are held directly by the Company. All of the Group's subsidiaries are included in these Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as endorsed and adopted for use by the European Union (EU), IFRS interpretations Committee (IFRS IC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of the IFRS financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates, as noted in the critical accounting estimates and key management judgements on page 46.

**BASIS OF ACCOUNTING**

Having assessed the principal risks and the other matters discussed in connection and conjunction with the viability statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The Consolidated Financial Statements have been prepared on the historical cost basis of accounting except for the revaluation of certain derivative financial instruments and retirement benefit obligations.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented. No changes have been made to the accounting policies by comparison with those applied in the Consolidated Financial Statements for the year ended 31 March 2017.

**New and amended standards adopted by the Group**

There are no standards or interpretations that are effective for the first time for the financial year beginning 1 April 2017 that would be expected to have a material impact on the Group.

Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group – IFRS 15, 'Revenue from Contracts with Customers', issued in May 2014, EU endorsed in October 2016 and effective from 1 January 2018. The Standard provides a single principles based five step model to be applied to all sales contracts based on the transfer of control of goods and services to customers and identification of performance obligations on a contract by contract basis.

A project has been undertaken to determine the impact of IFRS 15. The project has assessed revenue and contract terms from across all the Group's business units and contracting types. There is no impact to the timing of the Group's cash flows nor to the timing of revenue recognition on the majority of the Group's contracts. If IFRS 15 had been applied in the year to 31 March 2018 revenue would have been lower by £nil to £2.0m and costs would have been lower by £nil to £1.0m. Total underlying operating profit impact would be expected to be between £nil and a loss of £1.0m.

– IFRS 9, 'Financial Instruments', issued in July 2014, EU endorsed in November 2016 and effective from 1 January 2018. The Standard covers the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets and provides a new hedge accounting model. It is not expected to have a material impact on the Group.

– IFRS 16, 'Leases', issued in January 2016, EU endorsed in November 2017 and effective from 1 January 2019. The Standard requires lease liabilities and right of use assets to be recognised on the balance sheet with the exception of short-term and immaterial leases. Management is in the process of assessing the impact that this will have on the Group and at the current time it is not possible to quantify the impact of this on the financial statements.

There are no other EU endorsed IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material effect on the Group.

**BASIS OF CONSOLIDATION**

The Financial Statements of the Group consolidate the results of Hogg Robinson Group plc (the Company), and its subsidiary entities, and include its share of its associates and joint ventures' results accounted for under the equity method, all of which are prepared to 31 March.

All intra-group balances and transactions, and any unrealised profits and losses arising from intra-group transactions, have been eliminated on consolidation.

**Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The results of subsidiaries are included in the income statement from the date of acquisition. The Consolidated Financial Statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intra-group transactions as noted above.

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## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

### 1 General information and summary of principal accounting policies continued

For partly owned subsidiaries, the allocation of net assets and net earnings to outside shareholders is shown in the line 'Attributable to non-controlling interests' on the face of the Consolidated Income Statement and Consolidated Balance Sheet.

#### Associates and joint arrangements

An associate is an entity that is neither a subsidiary nor a joint venture, over whose operating and financial policies the Group exercises significant influence but not control. Significant influence is presumed to exist where the Group has between 20 per cent and 50 per cent of the voting rights, but can also arise where the Group holds less than 20 per cent if it has the power to be actively involved and influential in policy decisions affecting the entity.

The Group has applied IFRS 11 to all joint arrangements as of 1 April 2014. Under IFRS 11 investments in joint arrangements are classed as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. An entity is regarded as a joint venture if the Group has joint control over its operating and financial policies. In some situations, joint control exists even though the Group has an ownership interest of more than 50 per cent because of the veto rights held by joint venture partners.

Associates and joint ventures are accounted for under the equity method, where the Consolidated Income Statement and Consolidated Balance Sheet includes the Group's share of their profits and losses, and net assets. This involves recording the investment initially at cost to the Group, which therefore includes any goodwill on acquisition, and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the Group's share of the associates' post-acquisition profits or losses, which is recognised in the Consolidated Income Statement. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

The carrying amount of associates and joint ventures is tested for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### Acquisitions

On the acquisition of a subsidiary, the acquisition method of accounting is used whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) of the subsidiary on the basis of fair value at the date of acquisition. Provisional fair values allocated at a reporting date are finalised within 12 months of the acquisition date.

Consideration transferred for the acquisition of a subsidiary includes the fair value of assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group, contingent consideration, and share-based payment awards of the acquiree that are replaced through the acquisition. Costs related to the acquisition of a subsidiary are expensed as incurred. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Where the Group has a previously held non-controlling interest in the acquiree, this is

remeasured to fair value at acquisition with any gain or loss being recognised in the Consolidated Income Statement.

The results of businesses or shares of associates and joint ventures acquired during the year are brought into the Consolidated Financial Statements from the date on which control, joint control or significant influence commences.

Acquisitions of non-controlling interests in a subsidiary are accounted for as transactions with equity holders in their capacity as equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the interest in the net assets acquired at the date of the transaction is recognised directly in equity. Prior to 1 April 2010 this difference was recognised as goodwill.

#### Disposals

Disposal groups held for sale comprise assets and liabilities where the carrying amount is expected to be recovered through a sale transaction rather than continuing use. They are stated at the lower of carrying amount and fair value less costs to sell.

The Group accounts for transactions with non-controlling interests as transactions with equity owners of the Group, hence gains or losses on disposals to non-controlling interests are recorded in equity.

The results of businesses are taken out of the Consolidated Financial Statements from the date on which control, joint control or significant influence ceases. At this point any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in the Consolidated Income Statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the appropriate share of the related assets or liabilities. This may mean that amounts previously recognised in other Consolidated Statement of Comprehensive Income are reclassified to the Consolidated Income Statement.

#### REVENUE

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

#### HRG – Continuing operations

Revenue represents service fees earned from clients, revenue and commissions from suppliers and sales of software licenses.

Client service fees, including from our Government, Energy & Marine, Finance & Banking, Loyalty and SME clients, are earned by charging a transaction or management fee for airline or other travel service transactions, based on contractual agreements with travel clients or from organising Meetings, Groups & Events (MGE) and Sports related travel. Transaction revenue is recognised at the time of ticketing of the travel arrangement with the exception of hotel related income, which is recognised at the time travel plans are confirmed. Management fees are recognised over the period



## CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information and summary of principal accounting policies continued

of time that the service is provided to the client. Revenue from certain MGE and Sports activities are accounted for on a percentage completion basis.

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

Revenue from sales of software licences is recognised upon persuasive evidence of an arrangement, delivery of the software and determination that collection of a fixed or determinable fee is reasonably assured. When the fees for software upgrades, enhancements and maintenance are bundled with the licence fee, they are unbundled using objective evidence of the fair value of the elements. If evidence of fair value exists for all undelivered elements and there is no such evidence of fair value established for delivered elements, revenue is first allocated to the elements where fair value has been established and the residual amount is allocated to the delivered elements. If evidence of fair value for any undelivered element of the arrangement does not exist, all revenue from the arrangement is deferred until such time that evidence of fair value exists or undelivered elements of the arrangement are delivered.

#### Fraedoms – Discontinued operations

Revenue represents fees earned from clients in respect of development and implementation work undertaken and usage and hosting fees.

Development and implementation revenues are primarily earned in respect of our work with banking partners and are recognised on the achievement of milestones, client acceptance of work performed to date and in accordance with contractual agreement.

Usage fees are recognised from both direct clients and partners at the time the service is provided. Hosting fees are recognised over the period of time that the service is provided to the client.

#### EMPLOYEE BENEFITS

##### Pension obligations

Payments to defined contribution retirement benefit schemes or amounts paid directly to the personal pension plans of employees are charged as an expense as they fall due.

The assets of the defined benefit pension schemes are measured at their fair value at the balance sheet date and compared to the liabilities of those schemes at the same date, measured on an actuarial basis using the projected unit credit method. The discount rate used is the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities.

Costs of defined benefit pension schemes arising from employee service in the current period are charged to operating expenses. Past service costs, representing the increase in the present value of pension scheme liabilities relating to employee service in prior periods, but arising in the current period as a result of benefit improvements, are charged to the income statement immediately to the extent that the benefits have already vested. Actuarial gains and losses are recognised in the Consolidated Statement of Comprehensive Income.

Net interest cost is charged to the Consolidated Income Statement and is calculated by multiplying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets at the start of the reporting period. Contribution and benefit payments made during the period are also factored into the calculation.

##### Termination benefits

Termination benefits may be payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

##### Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. Bonuses are recognised in the Consolidated Income Statement in the period a contractual or constructive obligation arises.

##### Share-based incentives

The Group operates several equity-settled share-based incentive schemes for employees. The fair value of the awards is calculated at grant date and is recognised as an expense over the vesting period. For awards with vesting conditions based on market conditions (particularly, those based on total shareholder return compared with external benchmarks), the likelihood of vesting is assessed at the date of grant and is not subsequently amended in arriving at the expense for each year in the vesting period. All other awards are re-assessed at each balance sheet date, with the expense recognised in the Consolidated Income Statement, including the impact of changes of previous estimates of the likelihood of vesting. The total expense for the year gives rise to a corresponding credit to equity.

##### 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 Group. 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 Group.

##### GOODWILL

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

The review of impairment includes examination of anticipated cash flows from the cash generating units to which goodwill relates. Cash generating units are determined by geography.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

1 General information and summary of principal accounting policies continued

Goodwill is written down to its estimated recoverable amount, being the higher of:

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

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

Goodwill arising on acquisitions before the date of transition to IFRS, 1 April 2003, has been retained at the previous United Kingdom Generally Accepted Accounting Practice (UK GAAP) amounts subject to being tested for impairment since that date.

**OTHER INTANGIBLE ASSETS**

Intangible assets are identifiable non-monetary assets without physical substance. They are stated at cost less accumulated amortisation and impairment. Cost includes third party purchases, the directly attributable costs of internally generated assets and the fair value of identifiable intangible assets arising on acquisitions since the date of transition to IFRS, 1 April 2003. Amortisation is provided on the cost of all intangible assets, less the estimated residual value, using the straight-line basis over the estimated useful lives as follows:

Computer software – internally generated	3-7 years
– externally generated	2-10 years
Client relationships in acquired businesses	10 years

Amortisation is charged to operating expenses in the Consolidated Income Statement.

Expenditure on research into areas such as potential new technologies is recognised as an expense as incurred.

Internally generated computer software relating to new and enhanced features is capitalised as an intangible asset so long as it is probable that the development will provide economic benefits, considering its commercial and technological feasibility, and resources are expected to be available for the development to complete.

Internally generated computer software relating to the support and issue resolution of features already in the product suite is recognised as an expense as incurred.

A rolling programme of releases, form part of a continued process of enhancements of the product suite with the result that there are not always defined end dates for elements of the product suite. It is therefore often impracticable to determine when individual components are complete or first used because of the continual development programme. Therefore, amortisation is applied from the time of development and it is estimated that this complexity in defining timelines, does not have a material impact on the carrying value of internally generated computer software.

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

**PROPERTY, PLANT AND EQUIPMENT**

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

<b>Property:</b>	
Long-term leaseholds	50 years
Short-term leaseholds and structural leasehold improvements	shorter of useful economic life or the lease term
<b>Plant and equipment:</b>	
IT and office equipment	2-7 years

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

**FINANCIAL INSTRUMENTS**

Financial instruments are recorded initially at fair value net of issue costs incurred. Subsequent measurement depends on the designation of the instrument as follows:

**Financial assets**

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

At fair value through profit or loss – Financial instruments at fair value through profit or loss are financial instruments held for trading. A financial instrument is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Financial instruments in this category are classified as current assets or liabilities.

Loans and receivables – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where expected maturity is greater than 12 months after the balance sheet date which are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalent assets in the Consolidated Balance Sheet.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Consolidated Income Statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.



## CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information and summary of principal accounting policies continued

Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Consolidated Income Statement in the period in which they arise.

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

#### Financial liabilities

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

Borrowings are held at amortised cost and are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Currency swaps are stated at fair value on the Consolidated Balance Sheet. Exchange movements on long-term foreign currency borrowings are taken to reserves to the extent that the borrowing is in the functional currency of the obligor and to the Consolidated Income Statement to the extent it is not. Changes in the fair value of currency swaps are taken to the Consolidated Income Statement when they are acquired principally for the purpose of selling in the short-term. Net finance costs are recognised as an expense in the year in which they are incurred. Debt issue costs are amortised proportionally over the anticipated life of the relevant debt facility using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. A financial liability is a contractual obligation to deliver cash or another financial asset to a third party.

Financial instruments are stated at fair value with differences on valuation taken to reserves if hedge accounting has been established for the particular instrument. Otherwise, the differences on valuation are taken to the Consolidated Income Statement. These include interest rate caps and amounts receivable or payable in foreign currency together with the forward foreign currency exchange contracts used to fix their value. Fair values are derived from published financial data.

#### FOREIGN CURRENCY TRANSLATION

##### Functional and presentational currency

Items included in the Consolidated Financial Statements of each of the Group's subsidiaries and interests in joint ventures and associates are measured using the currency of the primary economic environment in which each entity operates (the functional currency). The Consolidated Financial Statements are presented in sterling which is the Company's functional and presentational currency.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency of the relevant entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Assets and liabilities of subsidiaries and interests in joint ventures and associates in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The results of foreign subsidiaries, joint ventures and associates are translated at the average rate of exchange for the year.

Exchange differences arising on the consolidation at closing rates of net investments in subsidiaries, joint ventures and associates, together with those on foreign currency loans which finance them, are taken to reserves and reported in the Consolidated Statement of Comprehensive Income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill arising on acquisitions before the date of transition to IFRS (1 April 2003) as a sterling denominated asset.

#### LEASING

A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee. Other leases are classified as operating leases.

Assets held under finance leases and hire purchase agreements are included in property, plant and equipment and are depreciated over the shorter of the lease term or their useful economic life. Lease obligations are stated net of finance charges attributable to future periods. Finance costs are allocated over the period of the lease to give a constant rate of charge.

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

#### TAXATION

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates the positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected or at risk to be paid to the tax authorities.

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CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

### 1 General information and summary of principal accounting policies continued

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

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### DIVIDEND DISTRIBUTIONS

Interim dividends are recognised in the Consolidated Financial Statements in the period in which they are paid.

Final dividends to the Company's shareholders are recognised in the Group's Consolidated Financial Statements in the period in which the dividends are approved by the Company's shareholders.

#### PROVISIONS

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

#### CASH AND CASH EQUIVALENTS

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents includes bank balances and deposits with original maturities of three months or less. It also includes bank overdrafts which form an integral part of the Group's cash management and are likely to fluctuate from overdrawn to positive balances. Bank overdrafts, where there is no right of set-off, are shown as borrowings within current liabilities.

#### SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The premium received on the issue of shares in excess of the nominal value of shares is credited to the share premium account and included within shareholders' equity.

#### EMPLOYEE BENEFIT TRUST

Transactions, assets and liabilities of the Group sponsored Employee Benefit Trust are included in the Consolidated Financial Statements. In particular, the Trust's purchases of shares in the Company remain deducted from shareholders' funds until they vest unconditionally with employees.

#### RELATED PARTY TRANSACTIONS

In line with IAS 24, 'Related Party Disclosures', transactions and balances between Group entities that have been eliminated on consolidation are not disclosed.

#### CRITICAL ACCOUNTING ESTIMATES AND KEY MANAGEMENT JUDGEMENTS

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

The principal management judgements made in the preparation of these Consolidated Financial Statements are:

- the assessment of the impairment of goodwill at each balance sheet date (see note 11). This process depends on the preparation of estimates of future cash flows expected to be generated by each business in the Group;
- the capitalisation of internally generated intangible assets. This process depends on it being probable that economic benefits will flow to the Group from the asset being developed, the cost of the asset being reliably measured and the technical feasibility being demonstrated;
- the evaluation of the recoverability of deferred tax assets (see note 21), which depends on the assessment of the probability that there will be sufficient appropriate taxable profits available in future against which to realise them;
- the evaluation of retirement benefit obligations. This depends on the actuarial assumptions set out in note 22, including estimates of future returns on scheme assets;
- within revenue there are key judgements made by management in terms of revenue recognition. Where applicable, the Group uses a percentage of completion method and stepped threshold to measure certain elements of supplier revenues earned under sales and marketing agreements, incentive arrangements, and distribution and usage agreements. Where the proportion of services which have been calculated using an estimate were to differ by 10% from management's estimates, the amount of revenue recognised in the year would increase by £0.8m if over performed or decrease by £0.8m if under performed;
- the evaluation of contingencies which require management to assess the facts and circumstances of the matter and determine whether any disclosure should be given or asset or liability recognised;
- the treatment of items considered as being exceptional and consequent disclosure; and
- the assessment of accounting treatment and determination of any provisioning of significant long length contracts.



## CONSOLIDATED FINANCIAL STATEMENTS

### 2 Financial risk management

#### RISK MANAGEMENT POLICY

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

The Group arranges central borrowing 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.

#### CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while providing adequate returns for shareholders and benefits for other stakeholders and to maintain a capital structure to optimise the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. It may also increase debt provided that the funded venture provides adequate returns so that the overall capital structure remains supportable.

The Group uses gearing ratio to manage net debt<sup>(1)</sup> to ensure that covenants within banking arrangements are complied with. A ratio of EBITDA<sup>(2)</sup> before exceptional items to net debt is used by the Group, however, at 31 March 2018 the Group has a net cash position. At 31 March 2017 EBITDA before exceptional items to net debt was 0.3 times. The definition of EBITDA for covenant purposes is not materially different from the definition used in these Consolidated Financial Statements. There have been no breaches of the terms of the Group's banking arrangements and there have been no defaults in the current or prior year.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed within General information and accounting policies (see note 1).

(1) Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the Consolidated Balance Sheet but excluding unamortised loan issue costs) less cash and cash equivalent assets.

(2) Earnings before net finance costs, income taxes, depreciation, amortisation and impairment.

#### FOREIGN CURRENCY RISK

The translation of non-Sterling earnings, assets and liabilities of the Group is affected by changes in exchange rates.

The Group uses short-term currency swaps linked to intercompany lending as well as direct borrowing in non-Sterling currencies to manage the currency profile of external borrowings.

The Group's foreign currency exposure on non-Sterling net debt is limited. Included within non-Sterling net debt is £37.0m of cash and cash equivalents, £0.1m of borrowings and £4.1m of currency swaps.

The Group's transaction exposure is limited, with the majority of its transactions denominated in the currency of the country of operation. In the few instances where there is exposure, short-term hedges are taken once the exposure can be accurately identified.

The following principal exchange rates have been used in the Consolidated Financial Statements:

Years ended 31 March	Income statement			Balance sheet		
	2018	2017	Change	2018	2017	Change
Euro	1.14	1.19	+4%	1.14	1.17	+3%
Swiss Franc	1.29	1.29	-	1.34	1.25	-7%
US Dollar	1.34	1.31	-2%	1.40	1.25	-12%
Canadian Dollar	1.72	1.71	-1%	1.81	1.67	-8%

#### Foreign currency sensitivity analysis

For the year ended 31 March 2018, if the average value of Sterling had been 5% higher or lower relative to other currencies than actual, the profit before tax of the Group would have been reduced or increased by £0.4m compared to the actual result (2017: £1.3m).

The impact on equity would be a movement of £6.9m (2017: £7.0m) mainly arising on foreign currency exchange gains or losses on translation of net investment in foreign subsidiaries, associates and joint ventures.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

2 Financial risk management continued

INTEREST RATE RISK

The Group is exposed to interest rate risk on any borrowing at floating interest rates. The interest rate on the Revolving Credit Facility (RCF) is not currently fixed, although the Group keeps this situation under review.

Interest rate sensitivity analysis

For the year ended 31 March 2018, if interest rates in all currencies in which the Group has borrowings had been higher or lower by 1%, interest cost would have been increased or reduced by £0.1m (2017: £0.1m).

CREDIT RISK

The risk associated with deposits in commercial banks is managed by diversifying with a number of well known financial institutions together with a periodic review of ratings attributed by major credit rating institutions.

The risk associated with clients and suppliers is not material based on the current client and supplier concentration and based on the large number of countries where the Group trades. The Group makes widespread use of credit checks in respect of clients and maintains a close working relationship with its key suppliers.

LIQUIDITY RISK

The Group's principal banking facility is a £150m multi-currency RCF that is committed until June 2019. The RCF is used for loans, letters of credit and guarantees. In addition, the Group has uncommitted facilities that are used for local flexibility. Working capital requirements fluctuate significantly during the year, with March and September typically being the lowest levels.

LIQUIDITY AND INTEREST RISK TABLES

The table below analyses the Group's financial liabilities including future expected interest payable and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
<b>At 31 March 2018</b>				
Borrowings	(0.1)	–	–	–
Derivative financial instruments	(0.1)	–	–	–
Trade and other payables	(132.2)	(0.8)	(2.3)	–
<b>At 31 March 2017</b>				
Borrowings	(12.8)	(47.7)	–	–
Derivative financial instruments	(0.3)	–	–	–
Trade and other payables	(148.3)	(0.7)	(0.8)	–

3 Segment information

The Chief Operating Decision Maker has been identified as the Executive Management Team (refer to note 28 on page 77), which reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Management Team has determined the operating segments based on these reports.

The Executive Management Team considers travel management (HRG) to be analysed into three distinct geographic segments and includes hrgtec. During the period the Group acquired eWings.com GmbH and Viking Reisebrya AS (see note 32), the results of which are included in the Europe travel management segment and also disposed of Fraedom, whose results are shown in discontinued operations and are not included below (see note 8). The Group's internal reporting processes do not distinguish between the numerous sources of income that comprise revenue for HRG. The performance of the operating segments is assessed based on a measure of operating profit excluding items of an exceptional nature. Interest income and expenditure and income tax expense are not included in the result for each operating segment that is reviewed by the Executive Management Team. Except as noted below, other information provided to the Executive Management Team is measured in a manner consistent with that in the financial statements.

Total segment assets exclude cash and cash equivalent assets, current tax assets, financial assets and deferred tax assets which are managed on a central basis. These are included as part of the reconciliation to total Consolidated Balance Sheet assets.



CONSOLIDATED FINANCIAL STATEMENTS

3 Segment information continued

	HRG			Total £m
	Europe £m	North America £m	Asia Pacific £m	
<b>Year ended 31 March 2018</b>				
Revenue from external customers	197.3	77.6	15.8	290.7
Underlying operating profit	24.4	11.3	1.2	36.9
Amortisation of acquired intangibles	(0.4)	-	-	(0.4)
Operating profit before exceptional items	24.0	11.3	1.2	36.5
Exceptional items	(21.7)	(0.2)	(0.1)	(22.0)
Operating profit	2.3	11.1	1.1	14.5
Underlying operating margin	12.4%	14.6%	7.6%	12.7%
<b>Year ended 31 March 2017</b>				
Revenue from external customers	204.9	80.0	17.1	302.0
Underlying operating profit	28.5	12.5	0.2	41.2
Amortisation of acquired intangibles	-	(0.2)	-	(0.2)
Operating profit before exceptional items	28.5	12.3	0.2	41.0
Exceptional items	(2.6)	(0.2)	(0.8)	(3.6)
Operating profit/(loss)	25.9	12.1	(0.6)	37.4
Underlying operating margin	13.9%	15.6%	1.2%	13.6%

There is no material inter-segment revenue.

External revenue from clients by origin (where the Group's operations are located) is not materially different from external revenue from clients by geographical area (where the client is located) disclosed above.

A reconciliation of operating profit to total profit before income tax expense is provided in the Consolidated Income Statement.

	HRG			Freedom		Total £m
	Europe £m	North America £m	Asia Pacific £m	Total £m	£m	
<b>Total segment assets</b>						
31 March 2018	258.2	82.2	11.0	351.4	-	351.4
31 March 2017	261.3	86.5	11.6	359.4	16.8	376.2

Reported segments' assets are reconciled to total assets as follows:

	Years ended 31 March	
	2018 £m	2017 £m
Total segment assets	351.4	376.2
Cash and cash equivalent assets	107.8	35.1
Current tax assets	0.8	0.7
Financial assets – derivative financial instruments	0.2	0.3
Deferred tax assets	45.1	45.2
	<b>505.3</b>	<b>457.5</b>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 Segment information continued

Capital expenditure by geographical location:

	HRG			Frøedom		Total £m
	Europe £m	North America £m	Asia Pacific £m	Total £m	£m	
<b>Capital expenditure</b>						
31 March 2018	11.2	0.4	0.1	11.7	5.7	17.4
31 March 2017	5.3	0.5	0.3	6.1	5.0	11.1

4 Operating expenses

	Years ended 31 March	
	2018 £m	2017 £m
<b>Underlying operating expenses</b>		
Staff costs (note 5)	175.2	178.2
Amortisation of intangible assets other than acquired intangible assets	4.6	4.6
Depreciation of property, plant and equipment	3.1	3.3
Services provided by the Company's auditors	1.2	1.2
Operating lease rentals – buildings	9.2	10.1
Operating lease rentals – other assets	0.5	0.5
Currency translation differences	0.4	0.2
Other expenses	59.6	62.7
	253.8	260.8
<b>Amortisation of acquired intangibles:</b>		
Amortisation of client relationships	–	0.2
Amortisation of externally acquired computer software recognised on acquisition	0.4	–
	0.4	0.2
<b>Exceptional items:</b>		
Restructuring costs:		
– Staff costs (note 5)	2.1	2.6
– Other expenses	0.4	1.0
	2.5	3.6
<b>Sale of business to GBT Holdings:</b>		
– Staff costs (note 5)	8.3	–
– Loan issue costs	1.4	–
– Other expenses	9.8	–
	19.5	–
	22.0	3.6
<b>Total operating expenses</b>	<b>276.2</b>	<b>264.6</b>

EXCEPTIONAL ITEMS

Total exceptional costs of £22.0m have been incurred in the year (2017: £3.6m).

£2.5m (2017: £3.6m) relates to planned cost reduction programmes and are in respect of redundancy costs and property exit costs, comprising onerous lease provisions, totalling £2.8m (2017: £4.0m), partly offset by a £0.3m (2017: £0.4m) pension curtailment gain that arose as a result of the cost restructuring programme in Switzerland (note 22).

The remaining £19.5m of exceptional costs relate to costs associated with the sale of Hogg Robinson Group to GBT Holdings. £9.8m relates to associated legal and other fees in relation to the sale (including £0.6m paid to the Company's auditors for audit related assurance services), £3.2m of staff bonuses, £3.5m relating to accelerated share-based incentives, £1.6m associated social security costs and £1.4m write off of loan issue costs.



CONSOLIDATED FINANCIAL STATEMENTS

**4 Operating expenses** continued

The cost of services provided by the Company's auditors, PricewaterhouseCoopers LLP (PwC), and its associates is set out below:

	Years ended 31 March	
	2018 £m	2017 £m
<b>Charged to underlying operating expenses:</b>		
Fees paid to the Company's auditor for the audit of the Parent Company and Consolidated Financial Statements	0.3	0.2
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Company's subsidiaries pursuant to legislation	0.7	0.7
Auditors' remuneration for audit services	1.0	0.9
Audit related assurance service	0.1	0.1
Tax compliance services	0.1	0.2
	1.2	1.2
<b>Charged to exceptional items:</b>		
Other assurance services in respect of the sale of the Group to GBT Holdings	0.6	-
<b>Charged to discontinued activities:</b>		
Other assurance services in respect of the sale of Freedom	0.3	-
<b>Total costs of services provided by the Company's auditors</b>	<b>2.1</b>	<b>1.2</b>

In addition to the above services, the Company's auditors acted as auditors to the Hogg Robinson (1987) Pension Scheme ('the UK Scheme'). The appointment of auditors to the UK Scheme and the fees paid in respect of that audit are agreed by the Trustees of the UK Scheme, who act independently from the management of the Group. The aggregate fees paid to the Group's auditors for audit services to the UK Scheme during the year were less than £0.1m (2017: less than £0.1m).

**5 Staff costs**

	Years ended 31 March			
	2018 Before exceptional items £m	2018 Exceptional items £m	2018 £m	2017 £m
Wages and salaries	148.3	3.2	151.5	150.6
Social security costs	18.3	1.6	19.9	17.6
Other pension costs	7.2	(0.3)	6.9	7.7
Redundancy and termination costs	0.1	2.4	2.5	3.2
Share-based incentives	1.5	3.5	5.0	1.8
Recharge of share-based incentives to discontinued operations	(0.2)	-	(0.2)	(0.1)
	175.2	10.4	185.6	180.8
Other pension costs comprise:				
Defined benefit schemes (note 22):				
- Current service charge and administration expenses	1.9	-	1.9	2.2
- Curtailment gain	(0.4)	(0.3)	(0.7)	(1.0)
- Past service credit	(0.8)	-	(0.8)	-
Defined contribution schemes	6.5	-	6.5	6.5
	7.2	(0.3)	6.9	7.7

	Years ended 31 March	
	2018 number	2017 number
Average monthly number of staff employed by the Group including Key Management – continuing operations	4,205	4,360

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## CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

### 6 Finance costs

	Years ended 31 March	
	2018 £m	2017 £m
Interest on bank overdrafts and loans	2.5	3.5
Amortisation of issue costs on bank loans	0.7	0.6
Net interest expense on retirement obligations	6.9	8.5
Other finance charges	0.7	0.7
Unwinding of discount on contingent consideration	0.2	-
Finance costs	11.0	13.3
Net finance costs	11.0	13.3

### 7 Income tax expense

	Years ended 31 March	
	2018 £m	2017 £m
Current tax on continuing operations:		
Tax on profits of the financial year	4.3	4.8
Adjustments in respect of previous years	(0.6)	0.2
Total current tax	3.7	5.0
Deferred tax:		
Origination and reversal of temporary differences	2.2	2.2
Adjustments in respect of previous years	(0.6)	(0.9)
Impact of US rate change	(2.2)	0.2
Total deferred tax (note 21)	(0.6)	1.5
Income tax expense	3.1	6.5

The income tax expense is split as follows:

	Years ended 31 March	
	2018 £m	2017 £m
United Kingdom	(0.3)	1.6
Overseas	3.4	4.9
Income tax expense	3.1	6.5

	Years ended 31 March	
	2018 £m	2017 £m
On underlying business	5.2	7.4
Tax on amortisation of acquired intangibles	-	(0.1)
Exceptional items	(2.1)	(0.8)
Income tax expense	3.1	6.5



## CONSOLIDATED FINANCIAL STATEMENTS

### 7 Income tax expense continued

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 20%) as explained below:

	Years ended 31 March	
	2018 £m	2017 £m
Profit before tax:		
Continuing operations	4.2	25.0
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	0.8	5.0
Effects of:		
Impact of US rate change on net deferred tax liabilities	(2.2)	0.2
Utilisation of unrecognised losses	(0.2)	(0.4)
Non recognition of deferred tax assets	1.1	0.5
Expenses not deductible for tax purposes	1.8	0.3
Overseas tax rate differential	2.0	1.7
Adjustments in respect of previous years	(1.2)	(0.7)
Other	1.0	(0.1)
Income tax expense	3.1	6.5

The Group makes maximum use of all brought forward losses and other available reliefs in mitigating current tax payable.

### 8 Discontinued operations

On 7 March 2018, the Group sold its shareholding in the Fraedom Group. The sale allows the Group to focus on its provision of travel management services.

The results of the discontinued operations up to the date of sale, which have been separately disclosed as a single line item, including the gain recognised on disposal, at the foot of the Group Income Statement were as follows:

	Period ended 7 March 2018 £m	Year ended 31 March 2017 £m
Revenue	34.5	33.1
Operating expenses	(27.4)	(25.0)
Operating profit	7.1	8.1
Analysed as:		
Underlying operating profit	7.1	8.2
Exceptional items	-	(0.1)
Operating profit	7.1	8.1
Profit before tax from discontinued operations (excluding exceptionals)	7.1	8.1
Tax	(2.2)	(3.0)
Profit after tax from discontinued operations	4.9	5.1
Profit on sale of business	118.0	-
Tax	(1.6)	-
Profit for the year from discontinued operations (attributable to equity holders of the Company)	121.3	5.1

A profit of £118.0m arose on the sale of the Fraedom Group, being the difference between cash proceeds and the carrying value of net assets plus attributable goodwill and associated costs of disposal (including £0.3m paid to the Company's auditors for audit related assurance services).

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For the year ended 31 March 2018 – continued

**8 Discontinued operations** continued

**STATEMENT OF CASH FLOWS**

The statement of cash flows includes the following amounts relating to discontinued operations:

	Period ended 7 March 2018 £m	Year ended 31 March 2017 £m
Operating activities	3.4	10.9
Investing activities	(5.8)	(5.0)
Financing activities	1.1	(7.5)
Net cash from discontinued operations	(1.3)	(1.6)
Intangible assets – computer software	10.5	
Intangible assets – goodwill	5.5	
Property, plant and equipment	1.1	
Trade and other receivables	6.7	
Trade and other payables	(4.8)	
	19.0	
Cash proceeds receivable	143.0	
Cash and cash equivalents surrendered	(1.2)	
Carrying amount of net assets sold	(19.0)	
Costs incurred, settled in cash	(4.8)	
Profit on sale of business	118.0	

Costs incurred of £4.8m, include £4.4m in respect of associated legal and other fees (note 20) and £0.4m in respect of the early redemption of a loan.

**9 Earnings per share**

Earnings per share attributable to equity holders of the Company were as follows:

	Years ended 31 March	
	2018 pence	2017 pence
Basic earnings per share		
From continuing operations	0.1	5.3
From discontinued operations	37.4	1.6
Total basic earnings per share	37.5	6.9
	Years ended 31 March	
	2018 pence	2017 pence
Diluted earnings per share		
From continuing operations	0.1	5.2
From discontinued operations	35.8	1.5
Total diluted earnings per share	35.9	6.7



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### 9 Earnings per share continued

	Years ended 31 March	
	2018 £m	2017 £m
Earnings for the purposes of earnings per share		
Profit for the financial period from continuing operations	1.1	18.5
Less: amount attributable to non-controlling interests	(0.9)	(1.3)
Total profit from continuing operations	0.2	17.2
Profit for the financial period from discontinued operations	121.3	5.1
	121.5	22.3

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to equity holders of the Company by the weighted average number of Ordinary shares outstanding during the year, excluding those purchased by the Company's Employee Benefit Trust.

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares.

The following amounts have been used in the calculation of earnings per share:

	Years ended 31 March	
	2018 number m	2017 number m
Weighted average number of Ordinary shares in issue		
Issued (for basic EPS)	324.7	323.7
Effect of dilutive potential Ordinary shares – share-based incentives	14.1	7.9
For diluted EPS	338.8	331.6

#### UNDERLYING EARNINGS PER SHARE

Underlying earnings per share attributable to equity holders of the Company were as follows:

	Years ended 31 March	
	2018 pence	2017 pence
Underlying basic earnings per share		
From continuing operations	6.3	6.2
From discontinued operations	37.4	1.6
Total basic earnings per share	43.7	7.8

	Years ended 31 March	
	2018 pence	2017 pence
Underlying diluted earnings per share		
From continuing operations	6.1	6.1
From discontinued operations	35.8	1.5
Total diluted earnings per share	41.9	7.6

Underlying earnings per share is calculated on the profit attributable to equity holders of the Company before amortisation of acquired intangibles and exceptional items after charging taxation associated with those profits.

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For the year ended 31 March 2018 – continued

**9 Earnings per share** continued

	Years ended 31 March	
	2018 £m	2017 £m
<b>Earnings for the purposes of underlying earnings per share</b>		
Profit before tax from continuing operations	4.2	25.0
Add: amortisation of acquired intangibles	0.4	0.2
Add: exceptional items	22.0	3.6
Underlying profit before tax	26.6	28.8
Underlying income tax expense	(5.2)	(7.4)
Underlying profit for the financial period	21.4	21.4
Less: amounts attributable to non-controlling interests	(0.9)	(1.3)
Total from continuing operations	20.5	20.1
Profit before tax from discontinued operations	125.1	8.1
Add: exceptional items	-	0.1
Underlying profit before tax	125.1	8.2
Underlying income tax expense	(3.8)	(3.0)
Total from discontinued operations	121.3	5.2

Underlying earnings are earnings before amortisation of acquired intangibles, exceptional items and related income tax expense.

**10 Dividends per share**

The dividends to the Company's shareholders in the year ended 31 March 2018 were:

	Years ended 31 March	
	2018 £m	2017 £m
<b>Final dividend in respect of year ended 31 March 2017</b> 1.925p per share (31 March 2016: 1.830p per share)	6.2	5.9
<b>Interim dividend in respect of year ended 31 March 2018</b> 0.760p per share (31 March 2017: 0.715p per share)	2.5	2.3
Total dividends to the Company's shareholders	8.7	8.2

No final dividend is proposed for the year ended 31 March 2018.

**11 Goodwill and other intangible assets**

	Years ended 31 March	
	2018 £m	2017 £m
Goodwill	227.3	235.9
Other intangible assets	14.7	21.0
	242.0	256.9



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11 Goodwill and other intangible assets continued

	Computer software				Total £m
	Goodwill £m	Externally acquired £m	Internally generated £m	Client relationships £m	
<b>Cost</b>					
At 1 April 2016	249.4	19.2	53.5	38.2	360.3
Additions	-	0.8	6.9	-	7.7
Disposals	-	(0.3)	(3.2)	-	(3.5)
Exchange differences	12.9	1.6	2.9	3.9	21.3
<b>At 31 March 2017</b>	<b>262.3</b>	<b>21.3</b>	<b>60.1</b>	<b>42.1</b>	<b>385.8</b>
Additions	-	0.5	10.1	-	10.6
Acquisitions (note 32)	2.4	2.4	-	-	4.8
Disposals	-	-	(8.8)	-	(8.8)
On sale of business (note 8)	(5.5)	(4.4)	(23.9)	-	(33.8)
Exchange differences	(5.5)	(0.6)	(1.8)	(1.7)	(9.6)
<b>At 31 March 2018</b>	<b>253.7</b>	<b>19.2</b>	<b>35.7</b>	<b>40.4</b>	<b>349.0</b>
<b>Accumulated amortisation and impairment losses</b>					
At 1 April 2016	26.4	17.9	35.9	38.0	118.2
Amortisation charge for the year	-	0.7	6.3	0.2	7.2
Disposals	-	(0.3)	(3.2)	-	(3.5)
Exchange differences	-	1.4	1.7	3.9	7.0
<b>At 31 March 2017</b>	<b>26.4</b>	<b>19.7</b>	<b>40.7</b>	<b>42.1</b>	<b>128.9</b>
Amortisation charge for the year	-	1.1	6.9	-	8.0
Disposals	-	-	(8.8)	-	(8.8)
On sale of business (note 8)	-	(4.3)	(13.5)	-	(17.8)
Exchange differences	-	(0.6)	(1.0)	(1.7)	(3.3)
<b>At 31 March 2018</b>	<b>26.4</b>	<b>15.9</b>	<b>24.3</b>	<b>40.4</b>	<b>107.0</b>
<b>Carrying amount</b>					
At 1 April 2016	223.0	1.3	17.6	0.2	242.1
At 31 March 2017	235.9	1.6	19.4	-	256.9
<b>At 31 March 2018</b>	<b>227.3</b>	<b>3.3</b>	<b>11.4</b>	<b>-</b>	<b>242.0</b>

The amortisation charge for the year of £8.0m (2017: £7.2m) is comprised of £0.4m (2017: £0.2m) in respect of intangible assets acquired via business combinations, £7.6m (2017: £7.0m) which relates to amortisation of software purchased and internally generated by existing businesses. There are £2.0m of assets in the course of construction included within internally generated assets at 31 March 2018 (2017: £0.9m).

**IMPAIRMENT OF GOODWILL**

The recoverable amount used in the assessment of goodwill for all cash generating units comprises the higher of value in use and fair value less costs to sell. During the year the Group reviewed its discount rate and long term growth rates and these have been applied in the assessment. The value in use has been calculated by discounting at 13% per annum (2017: 14% per annum) the anticipated pre-tax cash flows. The forecasts are prepared from management information taking into account historical trading performance and anticipated changes in future market conditions. The detailed forecasts cover a period of three years from the balance sheet date; cash flows are projected beyond that period based on market consensus for GDP growth of 2% for HRG (2017: 2%).

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

#### 11 Goodwill and other intangible assets continued

Goodwill consists of the following amounts related to cash generating units of the Group.

	Years ended 31 March	
	2018 £m	2017 £m
HRG		
Europe	176.5	174.3
North America	48.9	54.1
Asia Pacific	1.9	2.0
	227.3	230.4
Fraedom	-	5.5
	227.3	235.9

The key assumptions used in the impairment testing were as follows:

- Discount rates
- Rates of growth in cash generating units beyond 3 years
- Cash flow forecasts for years 1 to 3

#### Discount rate

The discount rate reflects management's estimate of the pre-tax cost of capital employed for the Group's cash generating units listed above. The same rate is applied to all cash generating units, and reflects the Group's funding arrangements where all units have equal access to the Group's treasury functions and borrowing lines to fund their operations. None of the Group's cash generating units demonstrate levels of risks that are significantly different from those experienced by the Group generally, and all have similar funding profiles and therefore the discount rate applied is deemed to be justified.

#### Rates of growth in cash generating units beyond 3 years and cash flow

Management have reviewed corporate travel industry and payment industry forecasts and consider that the market consensus for GDP growth of 2% for HRG is reasonable for the purposes of the assessment of goodwill.

#### Goodwill impairment

Management believes that no reasonable change in the key assumptions would cause any of the identified cash generating units to become impaired.



## CONSOLIDATED FINANCIAL STATEMENTS

### 12 Property, plant and equipment

Property is comprised of leasehold properties and leasehold improvements. Plant and equipment is comprised of IT and office equipment.

	Property £m	Plant and equipment £m	Total £m
<b>Cost</b>			
At 1 April 2016	9.1	44.0	53.1
Additions for the year	0.3	3.1	3.4
Disposals for the year	(0.6)	(3.5)	(4.1)
Exchange differences	0.7	4.8	5.5
At 31 March 2017	9.5	48.4	57.9
Additions for the year	0.1	1.9	2.0
Disposals for the year	(0.4)	(1.0)	(1.4)
On sale of business	-	(6.2)	(6.2)
Exchange differences	(0.4)	(2.7)	(3.1)
<b>At 31 March 2018</b>	<b>8.8</b>	<b>40.4</b>	<b>49.2</b>
<b>Accumulated depreciation</b>			
At 1 April 2016	7.6	36.7	44.3
Depreciation charge for the year	0.5	3.8	4.3
Disposals for the year	(0.6)	(3.4)	(4.0)
Exchange differences	0.6	4.3	4.9
At 31 March 2017	8.1	41.4	49.5
Depreciation charge for the year	0.4	3.5	3.9
Disposals for the year	(0.4)	(0.9)	(1.3)
On sale of business	-	(5.1)	(5.1)
Exchange differences	(0.4)	(2.5)	(2.9)
<b>At 31 March 2018</b>	<b>7.7</b>	<b>36.4</b>	<b>44.1</b>
<b>Carrying amount</b>			
At 1 April 2016	1.5	7.3	8.8
At 31 March 2017	1.4	7.0	8.4
<b>At 31 March 2018</b>	<b>1.1</b>	<b>4.0</b>	<b>5.1</b>
		Years ended 31 March	
		2018	2017
		£m	£m
Carrying amount of property, plant and equipment held under finance leases		0.1	0.4

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**13 Investments accounted for using the equity method**

	Years ended 31 March	
	2018 £m	2017 £m
At beginning of year	4.1	3.7
Net share of profit for the year after tax and non-controlling interests	0.7	0.9
Dividends	(0.3)	(0.7)
Exchange differences	(0.1)	0.2
At end of year	4.4	4.1

The joint ventures and associates held by the Group are:

	Country of incorporation	Proportion held	
		2018	2017
<b>Associates</b>			
Liga Travel GmbH	Germany	49%	49%
Bavaria Lloyd Reisebüro GmbH	Germany	49%	49%
OFB Reisen GmbH	Austria	50%	50%
<b>Joint ventures</b>			
Hogg Robinson Jin Jiang Travel (China) Co Ltd	China	51%	51%
Business Travel International BV	Netherlands	50%	50%
Fraedom Japan KK	Japan	–	45%

On 27 June 2016 the 49% share of besttravel dortmund GmbH was disposed of for cash consideration of £0.5m.

The combined share of profits in respect of the Group's equity accounted investments are not considered material to the Group and accordingly their results have not been individually disclosed.

Aggregate amounts relating to the Group's share of associates:

	Years ended 31 March	
	2018 £m	2017 £m
Total assets	1.9	2.0
Total liabilities	(1.5)	(1.6)
Revenue	2.2	2.6
Profit after tax	0.3	0.5

Aggregate amounts relating to the Group's joint ventures:

	Years ended 31 March	
	2018 £m	2017 £m
Current assets	5.9	6.0
Non-current assets	0.1	0.1
Current liabilities	(1.9)	(2.4)
Revenue	3.3	3.1
Profit after tax	0.4	0.4

**CONTINGENT LIABILITIES**

The Group is not aware of any contingent liabilities in respect of its equity accounted investments.



CONSOLIDATED FINANCIAL STATEMENTS

14 Financial instruments by category

	Loans and receivables £m	Assets at fair value through profit or loss £m	Derivatives used for hedging £m	Total £m
<b>At 31 March 2018</b>				
Derivative financial instruments – assets	–	0.2	–	0.2
Trade receivables	56.2	–	–	56.2
Due from associates and joint ventures	0.2	–	–	0.2
Other receivables	8.5	–	–	8.5
Accrued income	26.9	–	–	26.9
Cash and cash equivalent assets	107.8	–	–	107.8
	199.6	0.2	–	199.8
	Liabilities measured at amortised cost £m	Liabilities at fair value through profit or loss £m	Derivatives used for hedging £m	Total £m
<b>At 31 March 2018</b>				
Derivative financial instruments – liabilities	–	0.1	–	0.1
Borrowings	0.1	–	–	0.1
Trade payables	83.9	–	–	83.9
Due to associates and joint ventures	0.8	–	–	0.8
Other payables	16.5	–	–	16.5
Accruals	21.3	–	–	21.3
	122.6	0.1	–	122.7
	Loans and receivables £m	Assets at fair value through profit or loss £m	Derivatives used for hedging £m	Total £m
<b>At 31 March 2017</b>				
Derivative financial instruments – assets	–	0.3	–	0.3
Trade receivables	61.1	–	–	61.1
Due from associates and joint ventures	0.2	–	–	0.2
Other receivables	9.8	–	–	9.8
Accrued income	28.3	–	–	28.3
Cash and cash equivalent assets	35.1	–	–	35.1
	134.5	0.3	–	134.8
	Liabilities measured at amortised cost £m	Liabilities at fair value through profit or loss £m	Derivatives used for hedging £m	Total £m
<b>At 31 March 2017</b>				
Derivative financial instruments – liabilities	–	0.3	–	0.3
Borrowings	55.7	–	–	55.7
Trade payables	92.9	–	–	92.9
Due to associates and joint ventures	0.6	–	–	0.6
Other payables	16.5	–	–	16.5
Accruals	27.1	–	–	27.1
	192.8	0.3	–	193.1

At 31 March 2018 and 31 March 2017 no assets were subject to collateral except for finance lease assets.

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For the year ended 31 March 2018 – continued

**14 Financial instruments by category** continued

The Group uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data.

All derivative financial instruments are shown at fair value in the balance sheet. The fair values have been determined by reference to Level 2 techniques in the hierarchy described above. The fair value of derivative financial instruments represent the maximum credit exposure.

**15 Trade and other receivables**

	Years ended 31 March	
	2018 £m	2017 £m
Current: due within one year		
Trade receivables, gross	57.3	62.1
Less: provision for impairment	(1.1)	(1.0)
	56.2	61.1
Due from associates and joint ventures	0.2	0.2
Other receivables	8.1	9.5
Prepayments	8.1	7.4
Accrued income	26.9	28.3
	99.5	106.5
Non-current: due after more than one year		
Other receivables	0.4	0.3

The carrying amount of trade and other receivables approximates to their fair value.

As of 31 March 2018, trade receivables of £8.2m (2017: £7.3m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these trade receivables is as follows:

	Years ended 31 March	
	2018 £m	2017 £m
Up to 3 months	6.9	6.2
Over 3 months	1.3	1.1
	8.2	7.3

As of 31 March 2018, trade receivables of £1.1m (2017: £1.0m) were impaired and provided for. The amount of the provision was £1.1m as at 31 March 2018 (2017: £1.0m). The creation and release of provision for impaired receivables has been included in other expenses in the Consolidated Income Statement (note 4). The ageing of these trade receivables is as follows:

	Years ended 31 March	
	2018 £m	2017 £m
Up to 3 months	0.3	0.3
Over 3 months	0.8	0.7
	1.1	1.0



## CONSOLIDATED FINANCIAL STATEMENTS

### 15 Trade and other receivables continued

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Years ended 31 March	
	2018 £m	2017 £m
Sterling	29.6	29.8
Euro	27.2	25.0
Swiss Franc	4.0	4.0
US Dollar	10.3	13.3
Canadian Dollar	5.1	6.5
Australian Dollar	1.5	2.0
Other currencies	22.2	26.2
	<b>99.9</b>	<b>106.8</b>

Movements on the Group provision for impairment of trade receivables are as follows:

	Years ended 31 March	
	2018 £m	2017 £m
At 1 April	(1.0)	(1.0)
New impairment provisions in the year	(0.5)	(0.4)
Impairment written off as uncollectable	0.2	–
Unused amounts reversed	0.2	0.4
At 31 March	<b>(1.1)</b>	<b>(1.0)</b>

Amounts provided are generally written off when there is no expectation of recovering additional cash.

The other items within trade and other receivables do not contain impaired assets.

### 16 Financial assets and liabilities – derivative financial instruments

	Years ended 31 March	
	2018 £m	2017 £m
At fair value		
Current assets:		
Forward foreign exchange contracts – held for trading	0.2	0.3
Current liabilities:		
Forward foreign exchange contracts – held for trading	(0.1)	(0.3)

Forward exchange contracts consist of currency swaps together with cover obtained for known major payments and receipts in foreign currencies. The effect of currency swaps on the exchange profile of borrowings is set out in note 18.

The net loss arising in the income statement on contracts held for trading was £0.5m (2017: £0.9m gain). The net gain arising in the income statement on the fair value of the underlying hedged items was £0.5m (2017: £0.9m loss). There was no ineffectiveness to be recorded from cash flow hedges.

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For the year ended 31 March 2018 – continued

**17 Cash and cash equivalent assets**

	Years ended 31 March	
	2018 £m	2017 £m
Cash balances without restrictions:		
– Short-term deposits	107.3	34.5
– Cash in hand	–	0.1
Cash balances with restrictions on use	0.5	0.5
	107.8	35.1

Cash comprises balances held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

The cash balances with restrictions are held to meet specific liabilities.

The cash balances above attract interest at various rates across different territories.

With the exception of £4.8m held across a number of smaller subsidiaries, the deposits were held at financial institutions with short-term credit ratings of at least A1 (Standard & Poor's) or P1 (Moody's Investors).

**ANALYSIS BY CURRENCY**

	Years ended 31 March	
	2018 £m	2017 £m
Sterling	70.8	5.3
Euro	12.9	9.5
Swiss Franc	3.0	1.8
Other European currencies	9.0	5.1
Canadian Dollar	2.2	3.1
US Dollar	8.0	5.9
Other currencies	1.9	4.4
	107.8	35.1

**18 Financial liabilities – borrowings**

	Years ended 31 March	
	2018 £m	2017 £m
<b>Current (due within one year)</b>		
Bank loans	–	10.0
Overdrafts	–	0.1
Unamortised loan issue costs	–	(0.3)
Finance leases	0.1	0.3
	0.1	10.1
<b>Non-current (due after more than one year)</b>		
Bank loans	–	45.6
Unamortised loan issue costs	–	(0.1)
Finance leases	–	0.1
	–	45.6
	0.1	55.7
<b>Analysis of borrowings</b>		
Principal	0.1	56.1
Unamortised issue costs	–	(0.4)
	0.1	55.7



CONSOLIDATED FINANCIAL STATEMENTS

**18 Financial liabilities – borrowings** continued

The maturity of debt is as follows:

	Years ended 31 March	
	2018 £m	2017 £m
Within one year	0.1	10.0
Between one and two years	–	45.7
Between two and five years	–	–
	0.1	55.7

**ANALYSIS BY CURRENCY**

	Years ended 31 March	
	2018 £m	2017 £m
Borrowings by currency		
Sterling	–	51.6
Other European currencies	0.1	0.2
Canadian Dollar	–	3.6
US Dollar	–	0.1
Other currencies	–	0.2
	0.1	55.7

**UNDRAWN BORROWING FACILITIES**

	Years ended 31 March	
	2018 £m	2017 £m
Undrawn facilities expiring over one year from the balance sheet date	146.1	110.0

**INTEREST RATE PROFILE AFTER SWAPS**

	Years ended 31 March	
	2018 £m	2017 £m
Floating rate	–	35.6
Fixed rate	0.1	20.1
	0.1	55.7

The majority of sterling floating rate overdrafts utilised had an interest rate of 1.3% above the lending bank's base rate.

Floating rate debt includes draw downs for fixed periods of up to one month.

The Group's principal banking facility is a £150m multi-currency Revolving Credit Facility that is committed until June 2021. At the year end, £3.9m of the facility has been utilised on guarantees.

The majority of bank loans utilised during the year have margins of 1.70% – 1.85% above LIBOR. The margin fell from 1.85% to 1.70% on 8 June 2017.

In addition, during the year the Group had a £20m fixed rate loan repayable in instalments which had an interest rate of 7.239%. This was fully repaid in the year.

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18 Financial liabilities – borrowings continued

FINANCE LEASES

	Years ended 31 March	
	2018 £m	2017 £m
Minimum lease payments:		
Within one year	0.1	0.3
In the second to fifth years inclusive	–	0.1
	0.1	0.4
Less: future finance charges	–	–
Present value of lease obligations	0.1	0.4
Amount due for settlement within twelve months	0.1	0.3
Amount due for settlement after twelve months	–	0.1
	0.1	0.4

NET CASH/(DEBT)

	Years ended 31 March	
	2018 £m	2017 £m
Total financial liabilities – borrowings	(0.1)	(55.7)
Add back: Unamortised loan issue costs	–	(0.4)
Cash and cash equivalent assets	107.8	35.1
Net cash/(debt)	107.7	(21.0)

ANALYSIS BY CURRENCY

	Years ended 31 March	
	2018 £m	2017 £m
Cash/(borrowings) by currency		
Sterling	70.8	(46.7)
Euro	12.9	9.5
Swiss Franc	3.0	1.8
Other European currencies	8.9	4.9
Canadian Dollar	2.2	(0.5)
US Dollar	8.0	5.8
Other currencies	1.9	4.2
	107.7	(21.0)

	Years ended 31 March	
	2018 £m	2017 £m
Effect of currency swaps		
Sterling	4.1	8.6
Euro	(3.8)	(1.5)
Swiss Franc	0.2	(0.1)
Other European currencies	1.0	(0.9)
Canadian Dollar	–	(0.1)
US Dollar	(1.4)	(6.0)
Other currencies	(0.1)	–
	–	–



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18 Financial liabilities – borrowings continued

	Years ended 31 March	
	2018 £m	2017 £m
Analysis by currency after currency swaps:		
Sterling	74.9	(38.1)
Euro	9.1	8.0
Swiss Franc	3.2	1.7
Other European currencies	9.9	4.0
Canadian Dollar	2.2	(0.6)
US Dollar	6.6	(0.2)
Other currencies	1.8	4.2
	107.7	(21.0)

NET DEBT RECONCILIATION

	Assets		Liabilities from financing activities			Total £m
	Cash and cash equivalent assets £m	Finance leases due within one year £m	Finance leases due after one year £m	Borrowings due within one year £m	Borrowings due after one year £m	
Net cash/(debt) as at 1 April 2017	35.0	(0.3)	(0.1)	(10.0)	(45.6)	(21.0)
Cash flows	(67.5)	0.2	0.1	10.0	45.4	(11.8)
On sale of business	141.6	-	-	-	-	141.6
Acquisitions – finance leases	-	(0.1)	-	-	-	(0.1)
Foreign exchange	(1.3)	0.1	-	-	0.2	(1.0)
Net cash as at 31 March 2018	107.8	(0.1)	-	-	-	107.7

19 Trade and other payables

	Years ended 31 March	
	2018 £m	2017 £m
Current: due within one year		
Trade payables	83.9	92.9
Due to associates and joint ventures	0.8	0.6
Social security and other taxes	2.3	2.5
Other payables	16.5	16.5
Accruals	21.3	27.1
Deferred income	7.4	8.7
	132.2	148.3
Non-current: due after more than one year		
Contingent consideration	1.6	-
Deferred income	1.5	1.5
	3.1	1.5

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For the year ended 31 March 2018 – continued

20 Provisions

	Sale of Group £m	Disposal of business £m	Restructuring £m	Other £m	Total £m
At 1 April 2016	-	-	2.3	2.5	4.8
Additional provisions made in the year charged in the Consolidated Income Statement	-	-	4.3	0.2	4.5
Amounts used during the year	-	-	(5.5)	(0.2)	(5.7)
Unused provisions reversed	-	-	-	(0.5)	(0.5)
Exchange differences	-	-	0.1	0.1	0.2
At 31 March 2017	-	-	1.2	2.1	3.3
Additional provisions made in the year charged in the Consolidated Income Statement	14.6	4.4	3.0	0.3	22.3
Amounts used during the year	(4.8)	(2.5)	(2.9)	-	(10.2)
Unused provisions reversed	-	-	-	(0.3)	(0.3)
Exchange differences	-	-	-	(0.1)	(0.1)
At 31 March 2018	9.8	1.9	1.3	2.0	15.0

Provisions made in the year on the sale of the Group are likely to give rise to payment within one year of the balance sheet date and relate to legal and other fees £9.8m (note 4), staff bonuses £3.2m (note 4) and social security costs in relation to the exceptional share-based incentives charge £1.6m (note 5) incurred in relation of the sale of Hogg Robinson Group to GBT Holdings.

Provisions on disposal of business are likely to give rise to payment within one year of the balance sheet date and relates to costs incurred in relation to the disposal of Fraedom.

Restructuring provisions represent redundancy and office closure costs in a number of Group companies and are disclosed as current liabilities because they are likely to give rise to payment within one year of the balance sheet date. At 31 March 2018, £1.1m (2017: £1.1m) was held against restructuring provisions in respect of exceptional items.

Other includes provisions for onerous contracts, property dilapidations and litigation, which are likely to give rise to payment after more than one year of the balance sheet date, ranging from 2 to 8 years.

Provision has been made for the present value of property lease commitments in respect of properties surplus to operational requirements. Allowance has been made for anticipated sublet rental income, and costs to restore premises to their original condition upon vacating them where such an obligation exists under the lease.

21 Deferred tax

	Years ended 31 March	
	2018 £m	2017 £m
<b>Deferred tax assets</b>		
Temporary differences on pension accounting	40.6	42.1
Accelerated tax depreciation	-	0.1
Tax losses	6.8	12.8
Other temporary differences	3.7	1.4
Set-off against liabilities	(6.0)	(11.2)
	45.1	45.2
<b>Deferred tax liabilities</b>		
Accelerated tax depreciation	(1.8)	(0.9)
Other temporary differences	(9.1)	(13.9)
Set-off against assets	6.0	11.2
	(4.9)	(3.6)



## CONSOLIDATED FINANCIAL STATEMENTS

### 21 Deferred tax continued

	Years ended 31 March	
	2018 £m	2017 £m
<b>Net charge to the Consolidated Income Statement</b>		
Temporary differences on pension accounting	0.3	0.1
Accelerated tax depreciation	1.0	(0.1)
Tax losses	3.8	(1.2)
Other temporary differences	(5.7)	3.0
Subtotal of continuing operations	(0.6)	1.8
Movement reported in discontinued operations	2.2	–
	1.6	1.8

	Years ended 31 March	
	2018 £m	2017 £m
<b>Net credit through Statement of Changes in Equity</b>		
Other – share-based payments	(1.4)	(0.2)

	Years ended 31 March	
	2018 £m	2017 £m
<b>Net change through Statement of Comprehensive Income</b>		
Temporary differences on pension accounting	1.2	(0.6)
Effect of the UK rate change	–	2.3
Exchange movements	(0.1)	(0.2)
	1.1	1.5

At 31 March 2018, deferred tax assets include £42.9m (2017: £42.7m) arising in the UK. These assets are recognised on the basis that there will be sufficient appropriate taxable profits available in the future against which to realise them.

US tax legislation was substantively enacted in the year reducing the federal rate of corporation tax from 35% to 21% effective from 1 January 2018. Deferred tax balances have been remeasured where appropriate to reflect the reduction in rate. In the UK changes to the main rate of corporation tax substantively enacted last year will reduce the main rate from 19% to 17% effective from 1 April 2020. Deferred tax balances are measured at the rate at which they are expected to reverse.

The following deferred tax assets have not been recognised due to the uncertainty of the generation of future taxable profits in the relevant geographic territory:

	Years ended 31 March	
	2018 £m	2017 £m
Tax losses	23.5	22.2
Accelerated tax depreciation	–	1.3
Temporary difference on pension accounting	2.4	2.7
Other temporary differences	0.7	0.4
	26.6	26.6

The Group also holds gross unrecognised capital losses of £16.8m (2017: £16.8m) which are not expected to be utilised in foreseeable future.

Deferred income tax liabilities of £0.7m (2017: £0.7m) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested. Unremitted earnings totalled £230.9m as at 31 March 2018 (2017: £128.2m).

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For the year ended 31 March 2018 – continued

**22 Retirement benefit obligations**

**DEFINED BENEFIT PENSION ARRANGEMENTS**

The Group's principal defined benefit pension arrangement is the Hogg Robinson (1987) Pension Scheme (the UK Scheme). The UK Scheme is registered and subject to the statutory scheme-specific funding requirements outlined in UK legislation, including the payment of levies to the Pension Protection Fund as set out in the Pension Act 2004. The UK Scheme is established under trust and the responsibility for its governance lies jointly with the Trustees (Hogg Robinson (1987) Pension Scheme Trustee Limited) and the Group.

The UK Scheme was closed to new members in March 2003, with benefits based on final pensionable salary. The increase in final pensionable salary since 31 March 2003 is predominantly limited to the lower of the increase in inflation and 5% per annum. The latest actuarial valuation of the UK Scheme was carried out as at 31 March 2014 by an independent qualified actuary. Following agreement with the Trustees, the triennial valuation, based on actuarial values at 31 March 2017 has been suspended pending the Acquisition.

Following a consultation process with active members, the UK defined benefit section was closed to future accrual on 30 June 2013 and replaced with a defined contribution section.

The Group also operates defined benefit schemes in Switzerland, Germany, Italy and France.

The following amounts have been included in the Consolidated Income Statement in respect of all of the Group's defined benefit pension arrangements:

	Years ended 31 March	
	2018 £m	2017 £m
Current service charge	1.9	2.2
Curtailment gain	(0.4)	(0.6)
Past service credit	(0.8)	-
Charge to underlying operating profit	0.7	1.6
Charge to exceptional items – curtailment gain (note 4)	(0.3)	(0.4)
Charge to operating profit	0.4	1.2
Interest cost on pension scheme liabilities	14.5	17.6
Interest return on pension scheme assets	(7.6)	(9.1)
Charge to finance costs	6.9	8.5
Total charge to Consolidated Income Statement	7.3	9.7

A curtailment gain of £0.7m arose in the year ended 31 March 2018 in respect of leavers of the Switzerland scheme. £0.3m is included within exceptional items and £0.4m is included in underlying operating profit.

The following amounts have been recognised as movements in equity:

	Years ended 31 March	
	2018 £m	2017 £m
Actual return/(loss) on scheme assets	14.9	29.8
Less: amounts included in interest income	(7.6)	(9.1)
	7.3	20.7
Experience gains and losses arising on scheme liabilities	1.4	0.3
Changes in assumptions underlying the present value of scheme liabilities:		
– Demographic	3.6	86.8
– Financial	(3.7)	(112.8)
	8.6	(5.0)
Exchange rate movement	(0.5)	(1.7)
Movement in the year	8.1	(6.7)
Cumulative amount recognised in the Consolidated Statement of Comprehensive Income since the transition date to IFRS, 1 April 2003	(200.0)	(208.1)



## CONSOLIDATED FINANCIAL STATEMENTS

### 22 Retirement benefit obligations continued

	Years ended 31 March		
	2018	2017	2016
The key assumptions used for the UK Scheme were:			
Rate of increase in final pensionable salary	2.80%	2.90%	2.60%
Rate of increase in pensions in payment – accrued before 1999	5.00%	5.00%	5.00%
Rate of increase in pensions in payment – accrued after 1999	3.30%	3.40%	3.10%
Discount rate	2.60%	2.70%	3.50%
Inflation – RPI	3.30%	3.40%	3.10%
Inflation – CPI	2.30%	2.60%	2.40%

The assumptions for the schemes in Switzerland, Germany, Italy and France do not produce materially different results from the assumptions used for the UK Scheme.

The net present value of the defined benefit obligations of the UK Scheme is sensitive to both the actuarial assumptions used and to market conditions. If the discount rate assumption was 0.1% lower, the obligations would be expected to increase by £11.0m and if it was 0.1% higher, they would be expected to decrease by £10.8m. If the inflation assumption was 0.1% lower, the obligations would be expected to decrease by £4.6m and if it was 0.1% higher, they would be expected to increase by £5.3m. The inflation assumption sensitivity factors in the impact of inflation on the rate of increase in final pensionable salary and rate of increase in pensions in payment accrued after 1999 assumptions.

In the prior year the Group commissioned a review, in collaboration with the UK Scheme's trustees, of the statistical mortality assumptions and also of the postcode tables applied in the valuation underpinning the UK Scheme's liabilities. This review called a Medically Underwritten Mortality Study (MUMS) seeks to better understand the specific health profile of the UK Scheme's membership. A sample of members aged 55 to 80 was selected, representing 13% of the UK Scheme's total membership by headcount and 39% by liability value. These members were asked to complete and return a health questionnaire and follow-up interviews were conducted where clarification was needed. Approximately two thirds of targeted members responded, representing 24% of the UK Scheme's total liabilities. The responses were analysed by mortality underwriting specialists who translated them into mortality assumptions. The results from the sample were then extrapolated where appropriate for members aged 55 and above using a postcode differential to calculate these members' IAS19 liability. For members aged below 55, the IAS19 liability was solely based on postcode results. The actuarial work performed was compliant with relevant Technical Actuarial Standards.

At 31 March 2017, the impact of the MUMS was to decrease liabilities by £28m and the impact of adopting a different postcode model was to decrease liabilities by £40m.

The mortality assumptions for the UK Scheme are based on SAPS/CM1(2017) tables (2017: SAPS/CM1(2016) tables) with 'medium cohort' projections and a 1.25% underpin in the rate of future improvements in mortality. Life expectancy at the age of 65 is assumed to be:

	Years ended 31 March:	
	2018	2017
<b>Current pensioners</b>		
Male	21.3	21.4
Female	23.5	23.6
<b>Future retirements</b>		
Male	22.7	22.8
Female	25.0	25.1

The UK liability is based on the assumption that active and deferred members will take 25% of the value of their pension as a lump sum on retirement.

The net present value of the defined benefit obligations of the UK Scheme are sensitive to the life expectancy assumption. If there was an increase of one year to this assumption the obligations would be expected to increase by £26.3m.

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For the year ended 31 March 2018 – continued

**22 Retirement benefit obligations** continued

The provision included in the Consolidated Balance Sheet arising from obligations in respect of all the Group's defined benefit schemes is as follows:

	Years ended 31 March	
	2018 £m	2017 £m
<b>Present value of defined benefit obligations</b>		
Unfunded scheme	16.3	17.5
Wholly or partly funded schemes	557.7	567.7
	574.0	585.2
Fair value of scheme assets	(319.1)	(320.0)
	254.9	265.2

The net present value of defined benefit obligations has moved as follows:

	Years ended 31 March	
	2018 £m	2017 £m
At beginning of year	585.2	554.9
Current service cost	1.9	2.2
Curtailment gain	(0.7)	(1.0)
Past service credit	(0.8)	-
Interest cost	14.5	17.6
Contributions by plan participants	0.5	0.6
Actuarial (gains)/losses	(1.3)	25.7
Foreign currency exchange changes	(2.2)	5.5
Benefits paid	(23.1)	(20.3)
At end of year	574.0	585.2

The fair value of scheme assets has moved as follows:

	Years ended 31 March	
	2018 £m	2017 £m
At beginning of year	320.0	296.6
Interest income	7.6	9.1
Actual return on assets excluding amounts included in interest income	7.3	20.7
Foreign currency exchange changes	(2.7)	3.8
Contributions by the employer	9.5	9.5
Contributions by plan participants	0.5	0.6
Benefits paid	(23.1)	(20.3)
At end of year	319.1	320.0



## CONSOLIDATED FINANCIAL STATEMENTS

### 22 Retirement benefit obligations continued

The assets held in defined benefit schemes were as follows:

	Years ended 31 March	
	2018 £m	2017 £m
<b>Equity instruments</b>		
<i>UK Scheme</i>		
Developed World Hedge Fund	24.7	28.2
Global Absolute Return Fund	40.4	44.9
Private Equity	12.2	10.5
Broad Opportunities Fund	26.2	25.4
	103.5	109.0
<i>Overseas Schemes</i>	14.2	16.1
	117.7	125.1
<b>Debt instruments</b>		
<i>UK Scheme</i>		
UK Equity Linked Gilts	16.4	17.7
Overseas Equity Linked Gilts	33.5	33.6
Credit Fund	30.8	30.4
Fixed Income Global Opportunities	22.1	21.6
	102.8	103.3
<i>Overseas Schemes</i>	16.3	18.5
	119.1	121.8
<b>Property</b>		
<i>UK Scheme</i>		
Long Lease Property Fund	33.3	30.2
Partners Fund	26.6	27.2
Real Estate Fund	10.4	4.4
	70.3	61.8
<i>Overseas Schemes</i>	8.1	6.6
	78.4	68.4
<b>Cash and cash equivalents</b>		
<i>UK Scheme</i>	3.6	4.6
<i>Overseas Schemes</i>	0.3	0.1
	3.9	4.7
	319.1	320.0

None of the plan assets are represented by financial instruments of the Group. None of the plan assets are occupied or used by the Group. The majority, £269.9m (2017: £278.3m) of the Schemes' assets are held in active markets with quoted market prices with the exception of the illiquid funds identified below. Where the illiquid funds don't have a current market price, the latest available price has been used with adjustment for capital calls and distributions.

	Years ended 31 March	
	2018 £m	2017 £m
Partners Fund	26.6	27.2
Private Equity	12.2	10.5
Real Estate Fund	10.4	4.4
	49.2	42.1

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22 Retirement benefit obligations continued

For several years, the UK Scheme has been closed to new entrants, has capped increases in pensionable salary and was closed to future accrual from 30 June 2013 following a consultation process with active members. Following the most recent triennial valuation, effective April 2014, the Trustees agreed deficit reduction payments totalling £8.3m for the year ending 31 March 2018, this represents a future economic benefit. Following agreement with the Trustees, the triennial valuation, based on actuarial values at 31 March 2017 has been suspended pending the Acquisition. The weighted average duration of the defined benefit obligation is 22 years.

Through its defined benefit schemes the Group is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility** – the scheme liabilities are calculated using a discount rate set with reference to corporate bond yields, if plan assets underperform this yield this will create a deficit. In mitigation, the schemes hold a significant proportion of equities, which are expected to outperform corporate bonds in the long-term but which may result in volatility and risk in the short-term. To avoid undue concentration of asset volatility risk in any one asset class, certain assets are held in a matching portfolio, consisting of corporate bonds and index-linked gilts, designed to mirror movements in corresponding liabilities.

The Group believes that due to the long-term nature of plan liabilities and the strength of supporting Group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plans efficiently.

**Interest rate risk** – liabilities are sensitive to movements in interest rates, a decrease in corporate bond yields will increase plan liabilities, although this will be partly offset by an increase in the plans' bond holdings.

**Inflation risk** – liabilities are sensitive to movements in inflation, with higher inflation leading to an increase in the valuation of liabilities (within the limits set by the scheme).

**Life expectancy** – liabilities are sensitive to life expectancy, with increases in life expectancy leading to an increase in the valuation of liabilities.

The obligations and assets are split as follows:

	Years ended 31 March					
	2018 UK £m	2018 Overseas £m	2018 Total £m	2017 UK £m	2017 Overseas £m	2017 Total £m
Defined benefit obligations	(518.7)	(55.3)	(574.0)	(526.0)	(59.2)	(585.2)
Fair value of plan assets	280.3	38.8	319.1	278.7	41.3	320.0
Deficit	(238.4)	(16.5)	(254.9)	(247.3)	(17.9)	(265.2)

The UK Scheme deficit decreased by £8.9m to £238.4m driven by a decrease in the UK Scheme liabilities of £7.3m and an increase of £1.6m in the fair value of plan assets. The decrease in liabilities includes an actuarial gain of £1.8m primarily due to changes in inflation £6.2m, changes in demographics £3.6m and experience gains £2.8m, partly offset by increase in liabilities due to change in discount rate (£10.8m) and interest cost (£13.9m) driven by the change in discount rate and benefits paid out in the year £20.2m.

The overseas schemes' deficit decreased by £1.4m and includes an increase of £0.5m relating to foreign exchange. Excluding foreign exchange the overseas schemes deficit have decreased by £1.9m, driven by a decrease in the schemes' liabilities of £1.7m, including the effect of a £0.7m curtailment gain in Switzerland, past service credit in Germany £0.8m and an increase in schemes' assets of £0.2m. The net deficit of the overseas schemes primarily relates to the German scheme £15.0m (2017: £16.3m).

FIVE YEAR EXPERIENCE

	Years ended 31 March				
	2018 £m	2017 £m	2016 £m	2015 £m	2014 £m
Defined benefit obligations	(574.0)	(585.2)	(554.9)	(563.8)	(462.3)
Fair value of plan assets	319.1	320.0	296.6	305.2	281.9
Deficit	(254.9)	(265.2)	(258.3)	(258.6)	(180.4)
Experience gains/(losses) on plan liabilities	1.4	0.3	1.5	5.3	(0.1)
on plan assets	7.3	20.7	(12.4)	15.3	8.0



## CONSOLIDATED FINANCIAL STATEMENTS

### 22 Retirement benefit obligations continued

Pension funding in excess of the charge to operating profit is shown in the Consolidated Cash Flow Statement as follows:

	Years ended 31 March	
	2018 £m	2017 £m
Contributions less service cost (note 29)	(7.6)	(7.3)

#### DEFINED CONTRIBUTION ARRANGEMENTS

The Group also operates defined contribution plans which receive fixed contributions from group companies. The Group's legal or constructive obligation for these plans is limited to the contributions. The expense recognised in the current period in relation to these contributions for continuing activities was £6.5m (2017: £6.5m).

### 23 Share capital and share premium account

#### SHARE CAPITAL

	Years ended 31 March	
	2018 number	2017 number
Authorised Ordinary shares of 1p each	513,808,171	513,808,171

	Years ended 31 March	
	2018 number	2017 number
Issued, called up and fully paid At 1 April	325,563,002	325,353,509
Shares issued in the year	2,119,484	209,493
At 31 March	327,682,486	325,563,002

	Years ended 31 March	
	2018 £m	2017 £m
Issued, called up and fully paid Ordinary shares of 1p each	3.3	3.3

The Company issued 685,869 shares for total consideration receivable of £491,719 during the year to 31 March 2018 on the exercise of options under the Company Share Option Plan (CSOP) and 1,433,615 shares for total consideration receivable of £827,964 on the exercise of options under the Company's Sharesave Schemes.

The total number of Ordinary shares in the Company held by the Employee Benefit Trust as at 31 March 2018 was 1,966,705 (2017: 2,630,326) with a market value of £2.3m (2017: £1.8m).

#### SHARE PREMIUM ACCOUNT

	Years ended 31 March	
	2018 £m	2017 £m
At 1 April	179.4	179.3
Premium on shares issued in the year	1.3	0.1
At 31 March	180.7	179.4

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24 Reserves

ACCUMULATED LOSSES

	Years ended 31 March	
	2018 £m	2017 £m
At 1 April	(234.8)	(243.3)
Retained profit for the financial year	122.4	23.6
Dividends (note 10)	(8.7)	(8.2)
Non-controlling interests	(0.9)	(1.3)
Shares purchased by Employee Benefit Trust	(0.9)	(1.4)
New shares issued to satisfy share-based incentives	0.5	–
Actuarial gain/(loss) on pension schemes	8.6	(5.0)
Deferred tax movement on pension liability	(1.2)	(1.7)
Share-based payments – charge for the year	5.0	1.8
Deferred tax movements on cumulative share-based incentive costs	1.4	0.2
Transfer from exchange reserve	–	0.5
At 31 March	(108.6)	(234.8)

OTHER RESERVES

	Exchange reserve £m	Hedging reserve £m	Total other reserves £m
Balance at 1 April 2016	10.4	(0.2)	10.2
Other comprehensive income:			
Fair value movement on cash flow hedge	–	0.2	0.2
Currency translation differences	14.3	–	14.3
Balance at 31 March 2017	24.7	–	24.7
Other comprehensive income:			
Currency translation differences	(9.2)	–	(9.2)
Balance at 31 March 2018	15.5	–	15.5

25 Non-controlling interests

	Years ended 31 March	
	2018 £m	2017 £m
At 1 April	1.1	0.6
Dividends paid	(1.2)	(0.8)
Share of profit after tax	0.9	1.3
Exchange differences	0.1	–
At 31 March	0.9	1.1

Non-controlling interests relate to the following companies, all of which are companies registered in Germany:

	Years ended 31 March	
	2018 Group Interest %	2017 Group Interest %
DFB Reisebüro GmbH	51%	51%
FC Bayern Tours GmbH	50%	50%
eWings.com GmbH (note 32)	92.73%	–



## CONSOLIDATED FINANCIAL STATEMENTS

### 26 Contingent liabilities

In 1994 Compagnie Dens Ocean NV (CDO), an indirectly owned subsidiary, received a claim from the Belgian Customs authorities resulting in a liquidator being appointed in 1995. Civil litigation is in process with criminal proceedings being considered pending the final outcome of the civil action. The liquidator is defending the civil action vigorously and the Directors continue to believe, on the basis of legal advice received, that any future impact on the net assets of the Group would not be material.

### 27 Operating leases

	Years ended 31 March	
	2018 £m	2017 £m
Outstanding commitments for future minimum lease payments:		
Due within one year	9.2	11.3
From second to fifth year inclusive	13.9	22.1
After five years	0.5	2.1
<b>Total commitment</b>	<b>23.6</b>	<b>35.5</b>

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 March 2018, on average, property leases had 1.8 years to run (2017: 2.4 years).

### 28 Related party transactions

#### REMUNERATION OF KEY MANAGEMENT

	Years ended 31 March	
	2018 £m	2017 £m
Short-term employee benefits	4.8	4.0
Post-employment benefits	0.4	0.4
Share-based incentives	1.4	1.3
	<b>6.6</b>	<b>5.7</b>

The Key Management of the Group are the Board of Directors of Hogg Robinson Group plc and members of the Executive Management Team. In addition to the Executive Directors of the Company, the Executive Management Team also includes the following Executives: Keith Burgess, *General Counsel and Central Services Director*, John Harvey, *Group Marketing Director*, Matthew Pancaldi, *Global Sales and Client Relations Director*, James Stevenson, *Global Sales Director*, Ian Windsor, *Global Travel Services Director*. Disclosure of the Executive Directors' emoluments can be found in the Remuneration Report on pages 13 to 22 of the Annual Report.

#### DIRECTORS

Details of directors' remuneration, including pension costs and long-term incentives, are provided in the audited section of the Remuneration Report on pages 14 to 22.

#### RECEIVABLES FROM ASSOCIATES AND JOINT VENTURES

	Years ended 31 March	
	2018 £m	2017 £m
<b>Joint ventures</b>		
Hogg Robinson Jin Jiang Travel (China) Co Limited	0.2	0.2

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### 28 Related party transactions continued

#### PAYABLE TO ASSOCIATES AND JOINT VENTURES

	Years ended 31 March	
	2018 £m	2017 £m
<b>Associates</b>		
Bavaria Lloyd Reisebüro GmbH	0.4	0.3
<b>Joint ventures</b>		
Hogg Robinson Jin Jiang Travel (China) Co Limited	0.4	0.3

No interest was charged on amounts receivable from or payable to joint ventures and associates.

#### TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES

	Years ended 31 March	
	2018 £m	2017 £m
<b>Recharges by joint ventures</b>		
Hogg Robinson Jin Jiang Travel (China) Co Limited	0.2	0.1
<b>Recharges to joint ventures</b>		
Hogg Robinson Jin Jiang Travel (China) Co Limited	0.1	--
<b>Recharges to associates</b>		
OFB Reisen GmbH	0.5	0.6

#### TRANSACTIONS WITH KEY MANAGEMENT

Key Management occasionally use the services of Group companies for their personal travel needs. These transactions are not material to either party and hence do not warrant further disclosure in these Consolidated Financial Statements.



## CONSOLIDATED FINANCIAL STATEMENTS

### 29 Cash generated from operations

	Years ended 31 March	
	2018 £m	2017 £m
Profit before tax from:		
Continuing operations	4.2	25.0
Discontinued operations	125.1	8.1
Profit before tax including discontinued operations	129.3	33.1
Adjustments for:		
Depreciation and amortisation (note 11 and 12)	11.9	11.5
Additional provisions made in the year excluding disposal of business	17.6	4.0
Additional provisions made in the year in relation to disposal of business	4.4	-
Amounts relating to sale of business not included within net increase in provisions	(122.4)	-
Share of results of associates and joint ventures	(0.7)	(0.9)
Net finance costs (note 6)	11.0	13.3
Pension curtailment gain	(0.7)	(1.0)
Pension past service gain	(0.8)	-
Share-based incentives	5.0	1.8
Loan issue costs written off	1.4	-
Other timing differences	-	(0.5)
	56.0	61.3
Cash expenditure charged to provisions (note 20)	(10.2)	(5.7)
Change in trade and other receivables	(2.3)	(7.0)
Change in trade and other payables	(8.8)	1.6
Pension funding in excess of charge to operating profit (note 22)	(7.6)	(7.3)
Cash generated from operations	27.1	42.9

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

### 30 Share-based incentives

The Group operates equity-settled share-based incentive schemes as follows:

#### PERFORMANCE SHARE PLAN (PSP)

The PSP is applicable to senior executives including Key Management. Shares are awarded which vest for no consideration after a three year period. Award holders are not entitled to receive dividends during the vesting period.

For Key Management, each award has two discrete elements with performance conditions based on total shareholder return (TSR) and on basic underlying earnings per share (EPS).

All unvested PSP awards were intended to vest subject to 50% on Hogg Robinson Group's 3-year cumulative EPS performance and 50% on Hogg Robinson Group's 3-year TSR performance relative to the constituents of the FTSE350 Support Services Index. As a result of the discretions exercised by the Remuneration Committee on 8 February 2018 which were approved by shareholders at the Court and General meetings held on 16 March 2018, subject only to the Court sanctioning the Scheme of Arrangement, all unvested PSP awards will vest in full. The Scheme of Arrangement was sanctioned by the Court on 17 July 2018. As a matter of record, the original performance conditions attached to awards which were outstanding on 31 March 2018 are summarised in the Remuneration Report, at page 22.

#### COMPANY SHARE OPTION PLAN (CSOP)

In response to feedback from some of the Company's major investors, there were no awards made under the CSOP scheme since June 2012. At its discretion the Remuneration Committee may determine to re-introduce the CSOP scheme and, if appropriate, adjust the PSP award but will consult shareholders prior to making this decision. Under the CSOP scheme share options are awarded which vest after a three year period subject to performance conditions. The exercise price of the options is the market price of shares immediately prior to the award. Each award has two discrete elements with performance conditions based on total shareholder return (TSR) and on earnings per share (EPS). The performance conditions and arrangements for leavers are the same as for the PSP scheme. Options can be exercised for a period of seven years following the end of the vesting period. Option holders are not entitled to receive dividends during the vesting period.

#### SHARESAVE SCHEMES

Sharesave schemes have been established in most countries in which the Group has operations and are applicable to all employees. Options are issued linked to savings contracts of up to £500 per month (or equivalent amounts overseas) for periods of three or five years (two years in the USA) with a six month exercise period. Options are issued at a discount of up to 20% of the market price immediately preceding the date of invitation to apply.

#### CHARGE FOR THE YEAR

The Group's charge for equity-settled share-based incentives for the year of £1.5m (2017: £1.8m) has been included in underlying operating expenses and £3.5m in exceptionals in the Consolidated Income Statement (2017 £nil).



CONSOLIDATED FINANCIAL STATEMENTS

30 Share-based incentives continued

The following table illustrates the weighted average exercise price (WAEP) of, and movements in, share options during the year:

	PSP	CSOP		Sharesave	
	number of shares	WAEP	number of options	WAEP	number of options
Outstanding as at 1 April 2017	8,845,158	33p	3,231,577	55p	4,307,921
Granted during the year	4,381,225	-	-	-	-
Exercised	(1,074,482)	-	-	56p	(147,334)
Forfeited	(6,223)	-	-	55p	(523,863)
Lapsed	(1,698,410)	-	-	-	-
Outstanding as at 31 March 2017	10,447,268	33p	3,231,577	55p	3,636,724
Granted during the year	4,025,218	-	-	53.4p	3,280,541
Exercised	(1,991,807)	36p	(1,145,528)	58p	(1,427,321)
Forfeited	-	-	-	55p	(493,972)
Lapsed	(1,592,236)	-	-	-	-
Outstanding as at 31 March 2018	10,888,443	32p	2,086,049	53p	4,995,972
Exercisable at 31 March 2017	-	33p	3,231,577	-	-
Exercisable at 31 March 2018	100,000	32p	2,086,049	58p	130,001
Granted subject to TSR conditions	3,667,308	-	1,272,224	-	-
Granted subject to EPS conditions	5,429,960	-	1,959,353	-	-
Granted without performance conditions	1,350,000	-	-	-	3,636,724
At 31 March 2017	10,447,268	-	3,231,577	-	3,636,724
Granted subject to TSR conditions	4,431,247	-	852,693	-	-
Granted subject to EPS conditions	6,357,196	-	1,233,356	-	-
Granted without performance conditions	100,000	-	-	-	4,995,972
At 31 March 2018	10,888,443	-	2,086,049	-	4,995,972

The range of exercise prices of outstanding share-based incentives was nil to 58 pence with a weighted average contractual life of 3.1 years.

The weighted average share price at grant date, fair value of the share-based incentives granted and exercise price of outstanding share-based incentives are:

Weighted average share price at grant date (pence)	52
Weighted average fair value of share-based incentives granted (pence)	36
Weighted average exercise price (pence)	19
Weighted average share price during the year (pence)	80

The fair value of awards granted in the year is estimated as at the date of grant using the following valuation models:

	Valuation model	
	Monte Carlo	Black-Scholes
Grants subject to TSR conditions		
Grants subject to EPS and service conditions and Sharesave schemes		
Key assumptions used in valuing share options were:	TSR	EPS
Expected life (years)	3.25	0.7 – 3.25
Vesting period (years)	3	1 – 3
Expected vesting (%)	43	100
Expected and historic volatility (%)	33	29 – 35
Risk free rate of return (%)	0.1	0.1 – 0.5
Expected dividend yield (%)	3.7	3.7
Three year correlation of total shareholder return with support sector index (%)	14	-

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For the year ended 31 March 2018 – continued

30 Share-based incentives continued

	Number of shares	Grant date	Share price at grant date	Fair value	Vesting date
PSP TSR	1,520,109	26/05/2017	69p	27p	26/05/2020
PSP EPS	1,520,109	26/05/2017	69p	61p	26/05/2020
PSP EPS	321,662	26/05/2017	69p	66p	26/05/2018
PSP EPS	321,662	26/05/2017	69p	64p	26/05/2019
PSP EPS	321,676	26/05/2017	69p	61p	26/05/2020
Sharesave UK 3 year	2,427,138	01/10/2017	76p	22p	30/09/2020
Sharesave US 2 year	92,745	01/10/2017	76p	19p	30/09/2019
Sharesave International 3 year	760,658	01/10/2017	76p	22p	30/09/2020
PSP EPS	6,666	02/01/2018	71p	69p	26/05/2018
PSP EPS	6,666	02/01/2018	71p	66p	26/05/2019
PSP EPS	6,668	02/01/2018	71p	64p	26/05/2020
	7,305,759				

In the year ended 31 March 2018, volatility was derived directly from the Group's share price over the period from listing.

31 Details of related undertakings of Hogg Robinson Group plc

In accordance with SI 2015/980, 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations' of the Companies Act 2006 a full list of subsidiaries, associates and joint arrangements of the Group is detailed below. With the exception of HRG Debtco Limited, which is wholly owned by the Company, none of the shares in the subsidiaries are held directly by the Company. All of the Group's subsidiaries are included in these Consolidated Financial Statements.

Subsidiaries: Registered in England and Wales, wholly owned	Principal activities
HRG Debtco Limited <sup>(1)</sup>	Holding and financing company
Farnborough Limited <sup>(1)</sup>	Holding and contracting company
Hogg Robinson plc <sup>(1)</sup>	Support services
Hogg Robinson (Travel) Limited <sup>(1)</sup>	HRG
Hogg Robinson Money Matters Limited <sup>(1)</sup>	Holding and financing company
Farnborough Finance (2007) Limited <sup>(1)</sup>	General commercial company
Wilson Albany Limited <sup>(1)</sup>	Holding company
Eurocentre (Travel) Limited <sup>(1)</sup>	Holding company
HT General Agency Limited <sup>(1)</sup>	Holding company
Hogg Robinson (1987) Pension Scheme Trustee Limited <sup>(1)</sup>	Dormant
Hogg Robinson (Transport and Financial Services) Dormants Limited <sup>(1)</sup>	Dormant
Hogg Robinson Corporate Holdings Limited <sup>(1)</sup>	Dormant
Worldmark Travel Limited <sup>(1)</sup>	Dormant
Powerwaves Limited <sup>(1)</sup>	Dormant
Business Travel International Limited <sup>(1)</sup>	Dormant
ABZ Finance Limited <sup>(1)</sup>	Dormant
Rennie Hogg Shp Agents Limited <sup>(1)</sup>	Dormant



## CONSOLIDATED FINANCIAL STATEMENTS

### 31 Details of related undertakings of Hogg Robinson Group plc continued

Subsidiaries: Incorporated overseas, wholly owned	Principal activities	Country of Incorporation
Hogg Robinson Australia Pty Limited <sup>(2)</sup>	HRG	Australia
Hogg Robinson Australia Holdings Pty Limited <sup>(2)</sup>	Holding company	Australia
Hogg Robinson Austria GmbH <sup>(3)</sup>	HRG	Austria
HRG Belgium NV <sup>(4)</sup>	HRG	Belgium
Church Street (Belgium) CVBA <sup>(5)</sup>	Holding company	Belgium
Compagnie Dens Ocean NV <sup>(6)</sup>	In liquidation	Belgium
Hogg Robinson Canada Inc <sup>(7)</sup>	HRG	Canada
Hogg Robinson Holdings Canada Inc <sup>(7)</sup>	Holding company	Canada
BTI Executive Travel Centre Inc <sup>(7)</sup>	Dormant	Canada
Hogg Robinson s.r.o <sup>(8)</sup>	HRG	Czech Republic
Hogg Robinson Nordic OY <sup>(9)</sup>	HRG	Finland
Hogg Robinson France SASU <sup>(10)</sup>	HRG	France
Hogg Robinson Germany GmbH & Co KG <sup>(11)</sup>	HRG	Germany
Hogg Robinson Reisen Beteteiligungs GmbH <sup>(11)</sup>	HRG	Germany
HRG Mobility Services GmbH <sup>(11)</sup>	HRG	Germany
Euro Lloyd Sports GmbH <sup>(11)</sup>	HRG	Germany
BTI Business Travel International Germany GmbH <sup>(11)</sup>	Dormant	Germany
Sepals Limited <sup>(12)</sup>	Dormant	Gibraltar
Hogg Robinson Hong Kong Ltd <sup>(13)</sup>	HRG	Hong Kong
Hogg Robinson Magyarország kft <sup>(14)</sup>	HRG	Hungary
Hogg Robinson Italia SpA <sup>(15)</sup>	HRG	Italy
Advanced Reservation Centre Srl <sup>(16)</sup>	HRG	Italy
Hogg Robinson Holdings BV <sup>(17)</sup>	Holding company	Netherlands
Hogg Robinson Nordic AS <sup>(18)</sup>	HRG	Norway
Hogg Robinson Nordic Holdings AS <sup>(18)</sup>	Holding company	Norway
Viking Reisebyrå AS <sup>(19)</sup>	HRG	Norway
Hogg Robinson Polska Sp. z o.o <sup>(19)</sup>	HRG	Poland
BTI Russia LLC <sup>(20)</sup>	HRG	Russia
Hogg Robinson Russia LLC <sup>(20)</sup>	HRG	Russia
Hogg Robinson Singapore Pte Limited <sup>(21)</sup>	HRG	Singapore
Hogg Robinson Group Espania S.A.U. <sup>(22)</sup>	HRG	Spain
Hogg Robinson Nordic Services AB <sup>(23)</sup>	HRG	Sweden
Hogg Robinson Nordic AB <sup>(23)</sup>	HRG	Sweden
Hogg Robinson Switzerland Limited <sup>(24)</sup>	HRG	Switzerland
Hogg Robinson USA LLC <sup>(25)</sup>	HRG	USA
Executive Travel Associates LLC <sup>(25)</sup>	HRG	USA
HRG Affiliates LLC <sup>(25)</sup>	HRG	USA
Spendvision Services LLC <sup>(26)</sup>	Holding company	USA
Hogg Robinson USA Holdings Inc <sup>(25)</sup>	Holding company	USA
Sea Gate Charters Inc <sup>(25)</sup>	Dormant	USA
Synergistic Force LLC <sup>(25)</sup>	Dormant	USA
Hogg Robinson Canada (USA) Inc <sup>(25)</sup>	Dormant	USA

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

31 Details of related undertakings of Hogg Robinson Group plc continued

Subsidiaries: Incorporated overseas, partly owned	Principal activities	Country of incorporation	% Holding
DFB Reisebüro GmbH <sup>(27)</sup>	HRG	Germany	51
FC Bayern Tours GmbH <sup>(28)</sup>	HRG	Germany	50
eWings.com GmbH <sup>(34)</sup>	HRG	Germany	92.73

Associates and Joint Arrangements	Principal activities	Country of incorporation	% Holding
HRG Jin Jiang Travel (China) Co Limited <sup>(29)</sup>	HRG	China	51
OFB Reisen GmbH <sup>(30)</sup>	HRG	Austria	50
Liga Travel GmbH <sup>(31)</sup>	HRG	Germany	49
Bavaria Lloyd Reisebüro GmbH <sup>(32)</sup>	HRG	Germany	49
Business Travel International BV <sup>(33)</sup>	HRG	Netherlands	50

Registered office addresses:

- |  |   |
|--|---|
| (1) Spectrum Point, 279 Farnborough Road, Farnborough, Hampshire, GU14 7NJ         | (19) Ul. Cybertyki 7A, 02-677 Warsaw, Poland                              |
| (2) Level 18, 452 Flinders Street, Melbourne, Victoria 3000, Australia             | (20) 107078, Moscow, Bolshoi Kharitonievsky Per. 24, bld 11, Russia       |
| (3) Ungargasse 37, 1030 Wien, Austria  | (21) 3 Harbour Front Place, 06-02 Harbour Front Tower 2, Singapore 099254 |
| (4) Quellinstraat 6-12, 2018 Antwerp, Belgium                                      | (22) Meridiana 89, 08026 Barcelona, Spain                                 |
| (5) Dupont, Koevoets & Co, Posthofbrug, 10 bus 4 B-2600 Antwerp, Belgium           | (23) Box 23350, S 104 35, Stockholm, Sweden                               |
| (6) President Kennedypark 1 8500 Kortrijk, Belgium                                 | (24) Altstettenstrasse 124, CH 8048, Zurich, Switzerland                  |
| (7) 370 King Street West, Suite 700, Toronto, Ontario M5V 1J9, Canada              | (25) 292 Madison Avenue, 17th Floor, New York, NY 10017, USA              |
| (8) U Pruhoniv, 158B/11a, Prague 7-Holesovice, 170 00, Czech Republic              | (26) 1751 Lake Cook Road, Suite 400, Deerfield, Illinois 6015, USA        |
| (9) Kumpulantie 13 B, 6th Floor, 00520 Helsinki, Finland                           | (27) Otto Fleck Schneise 6A, 60528 Frankfurt, Germany                     |
| (10) Tour Soled, 5, Rue Charte Coq, CS 80026, 92808 Puteaux Cedex, France          | (28) Saebener Str. 57, 81547 München, Germany                             |
| (11) Agrippaeum 87-93, 50676, Köln, Germany  | (29) 18th Floor, 1277 Beijing Road West, Shanghai 200040, China           |
| (12) Abacus Financial Services, 5-9 Main Street, Gibraltar                         | (30) Meiereistraße 7, Ernst-Happel-Stadion, 1020 Wien, Austria            |
| (13) Jardine House, 5th Floor, 1 Connaught Place, Hong Kong                        | (31) Guollett Str. 44-46, 60325, Frankfurt, Germany                       |
| (14) Teve u. 1/a-c, 1139 Budapest, Hungary   | (32) Lauchstaedtes Str. 5, 80788 München, Germany                         |
| (15) Via Giotto, 1-20032, Cormano (MI), Italy                                      | (33) Utrechtseweg 67, 3704 HB Zeist, Netherlands                          |
| (16) Via La Malfa 48, 75100 Matera (MT), Italy                                     | (34) Jean-Monnet-Strasse 2, 10557 Berlin, Germany                         |
| (17) Westblaak 89, 3012 KG Rotterdam, PO Box 21153, 3001 AD Rotterdam, Netherlands | (35) Stalhaugen 10, 6065 Ulsteinvik, Norway                               |
| (18) Tordenskioldsgate 8-10, 0160 Oslo, Norway                                     |   |

32 Acquisitions

eWings.com GmbH

On 7 June 2017 the Group acquired 92.73% of eWings.com GmbH, an online travel management company servicing the SME market in Germany and Sweden. The total consideration was £4,127k. As a result of the acquisition the Group is expected to utilise the online platform and technology for servicing clients across the HRG network.

The following table summarises the consideration paid for eWings.com GmbH, and the amounts of assets and acquired liabilities assumed recognised at the acquisition date.

	7 June 2017 £000's
Consideration	
Cash	2,768
Contingent consideration	1,359
<b>Total consideration</b>	<b>4,127</b>



## CONSOLIDATED FINANCIAL STATEMENTS

### 32 Acquisitions continued

#### Recognised amounts of identifiable assets acquired and liabilities assumed

	Provisional fair value £000's
Cash and cash equivalents	126
Internally generated computer software	2,382
Property, plant and equipment	4
Trade and other receivables	18
Deferred tax asset	604
Trade and other payables	(63)
Corporation tax liabilities	(39)
Deferred tax liability	(604)
<b>Total identifiable assets</b>	<b>2,428</b>
Goodwill	1,699
<b>Total consideration</b>	<b>4,127</b>
<b>Purchase consideration - cash outflow</b>	<b>£000's</b>
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	2,768
Less: Balances acquired	
Cash	126
<b>Net outflow of cash - investing activities</b>	<b>2,642</b>

The fair values are provisional and subject to adjustments which can be made within twelve months of the acquisition date.

The goodwill of £1,699k arises from a number of factors including efficiencies through knowledge transfer and unrecognised assets such as the workforce.

Acquisition related costs of £0.2m have been charged to operating expenses in the Consolidated Income Statement for the period.

The contingent consideration arrangement requires the Group to pay to the former owners of eWings.com GmbH additional amounts based on the future profitability of the company. The fair value of the contingent consideration of £1,359k was estimated by calculating the present value of the future expected cash flow. The estimate is based on a pre tax discount rate of 14%.

The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between £2.0m and £7.0m.

The revenue and loss after tax of eWings.com GmbH for the period from 7 June 2017 to 31 March 2018 are £0.2m and £1.0m respectively. Revenues and profits between 1 April 2017 and 7 June 2017 would not have materially impacted the Group's revenue and profit.

#### Viking Reisebyra AS

On 5 February 2018 the Group acquired 100% of Viking Reisebyra AS, a travel agent servicing the Norwegian market. The total consideration was £848k.

The fair values are provisional and subject to adjustments which can be made within twelve months of the acquisition date.

The goodwill of £745k arises from a number of factors including efficiencies through knowledge transfer and unrecognised assets such as the workforce.

Acquisition related costs of £2k have been charged to operating expenses in the Consolidated Income Statement for the period.

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CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

### 32 Acquisitions continued

The revenue and loss after tax of Viking Reisebyrå AS for the period from 5 February 2018 to 31 March 2018 are immaterial to the Group. Revenues and profits between 1 April 2017 and 5 February 2018 would not have materially impacted the Group's revenue and profit.

	5 February 2018 £000's
Consideration	
Cash	848
<b>Total consideration</b>	<b>848</b>

#### Recognised amounts of identifiable assets acquired and liabilities assumed

	Provisional fair value £000's
Cash and cash equivalents	231
Property, plant and equipment	16
Trade and other receivables	203
Deferred tax asset	24
Trade and other payables	(371)
<b>Total identifiable assets</b>	<b>103</b>
Goodwill	745
<b>Total consideration</b>	<b>848</b>

#### Purchase consideration – cash outflow

	£000's
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	848
Less: Balances acquired	
Cash	231
<b>Net outflow of cash – investing activities</b>	<b>617</b>

### 33 Post balance sheet event

Effective from 19 July 2018, the immediate parent company and controlling party is Global Business Travel Holdings Limited. The ultimate parent company is GBT III B.V.



PARENT COMPANY FINANCIAL STATEMENTS



## PARENT COMPANY FINANCIAL STATEMENTS

### PARENT COMPANY BALANCE SHEET

As at 31 March 2018

	Notes	Years ended 31 March	
		2018 £m	2017 £m
<b>Fixed assets</b>			
Investments	2	132.1	132.1
<b>Non-current assets</b>			
Trade and other receivables	3	47.6	57.4
<b>Current assets</b>			
Trade and other receivables	3	64.7	57.7
<b>Total assets</b>		<b>244.4</b>	<b>247.2</b>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	4	(0.5)	(0.5)
Provisions	5	(1.6)	-
<b>Total liabilities</b>		<b>(2.1)</b>	<b>(0.5)</b>
<b>Net assets</b>		<b>242.3</b>	<b>246.7</b>
<b>Equity</b>			
Share capital	6	3.3	3.3
Share premium		180.7	179.4
Retained earnings		58.3	64.0
<b>Total equity</b>		<b>242.3</b>	<b>246.7</b>
<b>Loss for the financial year</b>		<b>(0.6)</b>	<b>(0.5)</b>

The financial statements on pages 88 to 92 were approved by the Board of Directors on 20 July 2018 and were signed on its behalf by:

David Radcliffe  
Director

Michele Maher  
Director

Registered number: 3946303



PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Attributable to equity holders of the Company			Total equity £m
	Share capital £m	Share premium £m	Retained earnings £m	
Balance at 1 April 2017	3.3	179.4	64.0	246.7
Retained (loss) and total comprehensive (expense) for the year	-	-	(0.6)	(0.6)
Total transactions with owners:				
- Dividends	-	-	(8.7)	(8.7)
- Shares purchased by Employee Benefit Trust	-	-	(0.9)	(0.9)
- Share-based incentives – charge for year	-	-	5.0	5.0
- New shares issued to satisfy share-based incentives	-	1.3	(0.5)	0.8
Total transactions with owners:	-	1.3	(5.1)	(3.8)
Balance at 31 March 2018	3.3	180.7	58.3	242.3

	Attributable to equity holders of the Company			Total equity £m
	Share capital £m	Share premium £m	Retained earnings £m	
Balance at 1 April 2016	3.3	179.3	72.3	254.9
Retained (loss) and total comprehensive (expense) for the year	-	-	(0.5)	(0.5)
Total transactions with owners:				
- Dividends	-	-	(8.2)	(8.2)
- Shares purchased by Employee Benefit Trust	-	-	(1.4)	(1.4)
- Share-based incentives – charge for year	-	-	1.8	1.8
- New shares issued to satisfy share-based incentives	-	0.1	-	0.1
Total transactions with owners:	-	0.1	(7.8)	(7.7)
Balance at 31 March 2017	3.3	179.4	64.0	246.7

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PARENT COMPANY FINANCIAL STATEMENTS

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2018

### 1 Accounting policies

#### BASIS OF ACCOUNTING

The Parent Company Financial Statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006. The Directors consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined),
- IFRS 7, 'Financial Instruments: Disclosures',
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement', disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities,
- IAS 7, 'Statement of cash flows',
- Paragraph 17 of IAS 24, 'Related party disclosures', key management compensation,
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, and
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), a statement of cash flows for the year,
  - 16, statement of compliance with all IFRS,
  - 38A, requirement for minimum of two primary statements, including cash flow statements,
  - 38B-D, additional comparative information,
  - 111, cash flow statement information, and
  - 134-136, capital management disclosures

#### INVESTMENTS

Investments in subsidiary companies are stated at cost less accumulated impairment losses.

#### FINANCIAL INSTRUMENTS

Financial instruments are recorded initially at fair value net of issue costs incurred. Subsequent measurement depends on the designation of the instruments as follows:

Borrowings are held at amortised cost and are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade receivables are recognised initially at fair value with subsequent provision for impairment.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. A financial liability is a contractual obligation to deliver cash or another financial asset to a third party.

#### TAXATION AND DEFERRED TAXATION

Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### DIVIDEND DISTRIBUTIONS

Interim dividends are recognised in the Parent Company Financial Statements in the period in which they are paid.

Final dividends to the Company's shareholders are recognised in the Parent Company Financial Statements in the period in which the dividends are approved by the Company's shareholders.

#### SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The premium received on the issue of shares in excess of the nominal value of shares is credited to the share premium account and included within shareholders' equity.

#### SHARE-BASED INCENTIVES

The Company operates several equity-settled share-based incentive schemes for Group employees. The fair value of the awards is calculated at grant date and is recognised as an expense over the vesting period. For awards with vesting conditions based on market conditions (particularly, those based on total shareholder return compared with external benchmarks), the likelihood of vesting is assessed at the date of grant and is not subsequently amended in arriving at the expense for each year in the vesting period. All other awards are re-assessed at each balance sheet date, with the expense charged to the Income Statement including the impact of changes of previous estimates of the likelihood of vesting. The total expense for the year gives rise to a corresponding credit to equity. The expenses are then recharged to the employing entity.



## PARENT COMPANY FINANCIAL STATEMENTS

### 1 Accounting policies continued

#### EMPLOYEE BENEFIT TRUST

Transactions, assets and liabilities of the Group-sponsored Employee Benefit Trust are included in the Financial Statements. In particular, the Trust's purchases of shares in the Company remain deducted from shareholders' funds until they vest unconditionally with employees.

#### MANAGEMENT JUDGEMENT

In the process of applying the Company's accounting policies, management has made a number of judgements, none of which are considered to have a significant effect on the amounts recognised in the Parent Company Financial Statements.

#### PROFIT FOR THE YEAR

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year.

Audit fees and non-audit fees for the Company are borne by a subsidiary of this Company, Hogg Robinson plc.

### 2 Investments

	Subsidiary companies £m
Cost:	
At 1 April 2017 and 31 March 2018	132.1

For details of investments in subsidiaries see Note 31 of the Consolidated Financial Statements.

### 3 Trade and other receivables

	Years ended 31 March:	
	2018 £m	2017 £m
Current: due within one year		
Amounts due from subsidiary companies	64.7	57.7
Non-current: due after more than one year		
Amounts due from subsidiary companies	47.6	57.4

Amounts due from subsidiary companies within one year are unsecured and interest free.

Amounts due from subsidiary companies after more than one year are unsecured and interest was charged at a margin in the range 1.70% – 1.85% above LIBOR (2017: 1.70% above LIBOR).

### 4 Trade and other payables

	Years ended 31 March:	
	2018 £m	2017 £m
Accruals and deferred income	0.5	0.5

### 5 Provisions

	Sale of Group £m	Total £m
	At 1 April and 31 March 2017	–
Additional provisions made in the year charged in the Consolidated Income Statement	1.6	1.6
As 31 March 2018	1.6	1.6

Provisions on the sale of the Group are likely to give rise to payment within one year of the balance sheet date and relate to social security costs in relation to share-based incentives.

Overview

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Financial statements



PARENT COMPANY FINANCIAL STATEMENTS

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2018 – continued

### 6 Called up share capital

	Years ended 31 March	
	2018 number	2017 number
<b>Authorised</b>		
Ordinary shares of 1p each	513,808,171	513,808,171
	Years ended 31 March	
	2018 number	2017 number
<b>Issued, called up and fully paid</b>		
At 1 April	325,563,002	325,353,509
Shares issued in year	2,119,484	209,493
At 31 March	327,682,486	325,563,002
	Years ended 31 March	
	2018 £m	2017 £m
<b>Issued, called up and fully paid</b>		
Ordinary shares of 1p each	3.3	3.3

The Company issued 685,869 shares for total consideration receivable of £491,719 during the year to 31 March 2018 on the exercise of options under the Company Share Option Plan (CSOP) and 1,433,615 shares for total consideration receivable of £827,964 on the exercise of options under the Company's Sharesave Schemes.

The total number of Ordinary shares in the Company held by the Employee Benefit Trust as at 31 March 2018 was 1,966,705 (2017: 2,630,326) with a market value of £2.3m (2017: £1.8m).

### 7 Dividends per share

The dividends paid to the Company's shareholders in the year ended 31 March 2018 were:

	Years ended 31 March	
	2018 £m	2017 £m
Final dividend in respect of year ended 31 March 2017 1.925p per share (31 March 2016: 1.830p per share)	6.2	5.9
Interim dividend in respect of year ended 31 March 2018 0.760p per share (31 March 2017: 0.715p per share)	2.5	2.3
<b>Total dividends to the Company's shareholders</b>	<b>8.7</b>	<b>8.2</b>

No final dividend is proposed for the year ended 31 March 2018.

### 8 Employees

The Company has no employees.

Disclosure of the Directors' emoluments can be found in the Remuneration Report on pages 13 to 22 of the Annual Report.

### 9 Post balance sheet event

Effective from 19 July 2018, the immediate parent company and controlling party is Global Business Travel Holdings Limited. The ultimate parent company is GBT III B.V.



## COMPANY INFORMATION

### DIRECTORS

N H Northridge

*Chairman*

(also, Chairman of the Nominations Committee and member of the Remuneration Committee)

D J C Radcliffe

*Chief Executive*

M N Maher

*Chief Financial Officer*

W F Brindle

*Chief Operating Officer*

A E Hubka

*Non-Executive Director*

(also, member of the Remuneration, Audit and Nominations Committees)

J J Krumins

*Non-Executive Director*

(also, member of the Remuneration, Audit and Nominations Committees)

M A Whiting

*Non-Executive Director*

(also, Senior Independent Director, Chairman of the Audit Committee and member of the Nominations and Remuneration Committees)

P M Williams

*Non-Executive Director*

(also, Chairman of the Remuneration Committee and member of the Audit and Nominations Committees)

### COMPANY SECRETARY

K J Burgess

### REGISTERED OFFICE

Spectrum Point  
279 Farnborough Road  
Farnborough  
Hampshire  
GU14 7NJ

Registered number: 3946303

Telephone: 01252 881 000

Website: [www.hoggrobinson.com](http://www.hoggrobinson.com)

### LEGAL ADVISERS

Macfarlanes

20 Cursitor Street

London

EC4A 1LT

### FINANCIAL ADVISERS

NM Rothschild & Sons Limited

New Court

St Swithin's Lane

London

EC4N 8AL

### JOINT COMPANY BROKERS

Investec Bank plc

2 Gresham Street

London

EC2V 7QP

Peel Hunt LLP

120 London Wall

London

EC2Y 5ET

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

### REGISTRARS

Equiniti

Aspect House

Spencer Road

Lancing

West Sussex

BN99 6DA



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HOGG ROBINSON  
GROUP <sup>PLC</sup>

**Hogg Robinson Group plc**

Spectrum Point, 279 Farnborough Road  
Farnborough, Hampshire GU14 7NJ UK

[www.hoggrobinson.com](http://www.hoggrobinson.com)



## Hogg Robinson Nordic Holdings AS

## RESULTATREGNSKAP

	Note	2017-2018 01.04 - 31.03	2016-2017 01.04 - 31.03
Driftsinntekter		0	0
Sum driftsinntekt		0	0
Annen driftskostnad		0	0
Sum driftskostnad		0	0
Driftsresultat	6	0	0
Inntekt fra investering i datterselskap		11,295,727	6,581,925
Nedskrivning av finansielle anleggsmidler		0	40,200,000
Rentekostnad til foretak i samme konsern		433,213	577,212
Annen rentekostnad		1,974	2,039
Annen finanskostnad		0	0
Netto finansinntekter		10,860,540	-34,197,325
Ordinært resultat før skattekostnad		10,860,540	-34,197,325
Skattekostnad på ordinært resultat	5	2,498,378	1,441,131
Årsresultat		8,362,162	-35,638,456
Opplysninger om:			
Overført annen egenkapital		8,362,162	-35,638,456
Totalt overført		8,362,162	-35,638,456



## Hogg Robinson Nordic Holdings AS

## BALANSE pr 31.03

EIENDELER	Note	2018	2017
<b>Anleggsmidler</b>			
Immaterielle eiendeler			
Utsatt skattefordel	5	0	0
Sum immaterielle eiendeler		0	0
Finansielle anleggsmidler			
Investeringer i datterselskap	2	130,240,655	130,240,655
Sum finansielle anleggsmidler		130,240,655	130,240,655
Sum anleggsmidler		<u>130,240,655</u>	<u>130,240,655</u>
Sum eiendeler		<u>130,240,655</u>	<u>130,240,655</u>
<b>EGENKAPITAL OG GJELD</b>			
<b>EGENKAPITAL</b>	1		
Innskutt egenkapital			
Aksjekapital (100 A-aksjer à kr. 1.000)	4	100,000	100,000
Aksjekapital (170.248 B-aksjer à kr. 1.000)	4	170,248,000	170,248,000
Overkurs		30,000	30,000
Sum innskutt egenkapital		170,378,000	170,378,000
Oppjønt egenkapital			
Annen egenkapital		-49,792,907	-58,155,069
Sum oppjønt egenkapital		-49,792,907	-58,155,069
Sum egenkapital		<u>120,585,093</u>	<u>112,222,931</u>
<b>GJELD</b>			
Langsiktig gjeld			
Gjeld til konsernselskaper	3	6,342,169	15,537,406
Sum annen langsiktig gjeld		6,342,169	15,537,406
Kortsiktig gjeld			
Betalebar skatt	5	3,313,393	2,480,317
Sum kortsiktig gjeld		3,313,393	2,480,317
Sum gjeld		<u>9,655,562</u>	<u>18,017,723</u>
Sum egenkapital og gjeld		<u>130,240,655</u>	<u>130,240,655</u>

Oslo, 27 Sept 2018

Mattias Andersson  
StyremedlemIan Windsor  
Styrets formannChrister Nordlund  
Daglig leder / Styremedlem



Hogg Robinson Nordic Holdings AS

RESULTATREGNSKAP

	Note	01.04.18 - 31.12.18 Dec 2018	01.04.17 - 31.03.18 Mar 2018
Driftsresultat	6	0	0
Inntekt fra investering i datterselskap		4,601,082	11,295,727
Rentekostnad til foretak i samme konsern		133,230	433,213
Annen rentekostnad		493	1,974
Netto finansinntekter		<u>4,467,360</u>	<u>10,860,540</u>
Ordinært resultat før skattekostnad		<u>4,467,360</u>	<u>10,860,540</u>
Skattekostnad på ordinært resultat	5	1,027,606	2,498,378
Årsresultat		<u>3,439,754</u>	<u>8,362,162</u>
Opplysninger om:			
Overført annen egenkapital		3,439,754	8,362,162
Totalt overført		<u>3,439,754</u>	<u>8,362,162</u>

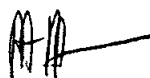


## Hogg Robinson Nordic Holdings AS


## BALANSE

EIENDELER	Note	01.04.18 - 31.12.18 Dec 2018	01.04.17 - 31.03.18 Mar 2018
<b>Anleggsmidler</b>			
Finanstelle anleggsmidler			
Investeringer i datterselskap	2	130,240,655	130,240,655
Sum finansielle anleggsmidler		130,240,655	130,240,655
Sum anleggsmidler		130,240,655	130,240,655
<b>Omløpsmidler</b>			
Fordringer			
Andre fordringer	3	4,601,082	0
Sum fordringer		4,601,082	0
Sum eiendeler		134,841,737	130,240,655
<b>EGENKAPITAL OG GJELD</b>			
<b>EGENKAPITAL</b>			
Innskutt egenkapital			
Aksjekapital	4	170,348,000	170,348,000
Overkurs		30,000	30,000
Sum innskutt egenkapital		170,378,000	170,378,000
Opptjent egenkapital			
Annen egenkapital	1	-46,353,153	-49,792,907
Sum opptjent egenkapital		-46,353,153	-49,792,907
Sum egenkapital		124,024,847	120,585,093
<b>GJELD</b>			
Langsiktig gjeld			
Gjeld til konsernselskaper	3	7,290,413	6,342,169
Sum annen langsiktig gjeld		7,290,413	6,342,169
Kortsiktig gjeld			
Betalbar skatt	5	3,526,477	3,313,393
Sum kortsiktig gjeld		3,526,477	3,313,393
Sum gjeld		10,816,890	9,655,562
Sum egenkapital og gjeld		134,841,737	130,240,655


Oslo, 12.07. 2019



Mattias Andersson  
Daglig leder / Styremedlem



Ian Windsor  
Styrets formann



Jason Geall  
Styremedlem



## Hogg Robinson Nordic Holdings AS

### Årsberetning 2018

Regnskapsåret 2018 dekker perioden 1. april 2017 - 31. mars 2018.

Selskapet driver Ingen annen virksomhet enn å eie aksjene i Hogg Robinson Nordic AS.

Selskapet har ingen ansatte og dermed ikke noe sykefravær. Selskapets virksomhet forurenser ikke det ytre miljø. Selskapets hovedkontor er lokalisert i Oslo.

Samtlige aksjer i selskapet eies av HRG Holdings B.V., Nederland.

Risiko- og usikkerhetsfaktorene er i all vesentlighet knyttet opp mot virksomheten i Hogg Robinson Nordic AS, se selskapets egen årsberetning for ytterligere informasjon. Risiko- og usikkerhetsfaktorer i konsernet er diskutert i årsberetningen til Hogg Robinson Group plc i England, (konsernspiss).

Den 19. juli 2018 ble foretakets ultimate morselskap Hogg Robinson Group plc kjøpt av Global Business Travel Holdings Limited ("GBT Holdings"). Fra samme dato ble det ultimate morselskapet og kontrollerende part av Hogg Robinson Nordic Holdings AS endret til GBT III BV. Hogg Robinson Group plc endret også navn til Hogg Robinson Group Limited. Med mindre annet er spesifisert, gjelder alle referanser til det ultimate morselskapet i denne rapporten, til stillingen per 31. mars 2018.

Årets resultat før skatt på kr. 8 362 162. Dette inkluderer mottatt konsernbidrag fra Hogg Robinson Nordic AS på kr. 11 295 727.

Styret vurderer selskapets utsikter som gode, og selskapet har en tilfredsstillende likviditet.

Styret foreslår at årsresultatet på kr. 8 362 162 underføres fra annen egenkapital.

Det er ikke betalt godtgjørelse til styrets medlemmer for 2018.

Styret kjenner ikke til forhold etter regnskapsårets slutt som har betydning for årsregnskapet.

Oslo, 27 Sept 2018

Ian Windsor  
Styreformann

Christer Nordlund  
Daglig leder / Styremedlem

Mattias Andersson  
Styremedlem



## Hogg Robinson Nordic Holdings AS

### Årsberetning desember 2018

Regnskapsåret 2018 dekker perioden 1. april 2018 - 31. desember 2018.

Selskapet driver ingen annen virksomhet enn å eie aksjene i Hogg Robinson Nordic AS.

Selskapet har ingen ansatte og dermed ikke noe sykefravær. Selskapets virksomhet forurenser ikke det ytre miljø. Selskapets hovedkontor er lokalisert i Oslo.

Samtlige aksjer i selskapet eies av HRG Holdings B.V., Nederland.

Risiko- og usikkerhetsfaktorene er i all vesentlighet knyttet opp mot virksomheten i Hogg Robinson Nordic AS, se selskapets egen årsberetning for ytterligere informasjon. Risiko- og usikkerhetsfaktorer i konsernet er diskutert i årsberetningen til Hogg Robinson Group plc i England, (konsernspiss).

Den 19. juli 2018 ble foretakets ultimate morselskap Hogg Robinson Group plc kjøpt av Global Business Travel Holdings Limited ("GBT Holdings"). Fra samme dato ble det ultimate morselskapet og kontrollerende part av Hogg Robinson Nordic Holdings AS endret til GBT III BV. Hogg Robinson Group plc endret også navn til Hogg Robinson Group Limited. Med mindre annet er spesifisert, gjelder alle referanser til det ultimate morselskapet i denne rapporten, til stillingen per 31. desember 2018.

Årets resultat før skatt på kr. 3 439 754. Dette inkluderer mottatt konsernbidrag fra Hogg Robinson Nordic AS på kr. 4 601 082.

Styret vurderer selskapets utsikter som gode, og selskapet har en tilfredsstillende likviditet.

Styret foreslår at årsresultatet på kr. 3 439 754 underføres fra annen egenkapital.

Det er ikke betalt godtgjørelse til styrets medlemmer for 1. april 2018 - 31. desember 2018.

Styret kjenner ikke til forhold etter regnskapsårets slutt som har betydning for årsregnskapet.

Oslo, 12.07. 2019

Ian Windsor  
Styreformann

Jason Geall  
Styremedlem

Mattias Andersson  
Daglig leder / Styremedlem



Til generalforsamlingen i Hogg Robinson Nordic Holdings AS

## Uavhengig revisors beretning

### Uttalelse om revisjonen av årsregnskapet

#### Konklusjon

Vi har revidert Hogg Robinson Nordic Holdings AS' årsregnskap som viser et overskudd på kr 8 362 162. Årsregnskapet består av balanse per 31. mars 2018, resultatregnskap og kontantstrømpstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. mars 2018, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

#### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

#### Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon består av årsberetningen, men inkluderer ikke årsregnskapet og revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

#### Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo  
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



## Uavhengig revisors beretning - Hogg Robinson Nordic Holdings AS

for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

*Revisors oppgaver og plikter ved revisjonen av årsregnskapet*

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

(2)



Uavhengig revisors beretning - Hogg Robinson Nordic Holdings AS

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.

### *Uttalelse om øvrige lovmessige krav*


#### *Konklusjon om årsberetningen*

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til anvendelse av overskuddet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

#### *Konklusjon om registrering og dokumentasjon*

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Oslo, 27. september 2018  
PricewaterhouseCoopers AS

  
Herman Skibrek  
Statsautorisert revisor



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Til generalforsamlingen i Hogg Robinson Nordic Holdings AS

## Uavhengig revisors beretning

### Uttalelse om revisjonen av årsregnskapet

#### Konklusjon

Vi har revidert Hogg Robinson Nordic Holdings AS' årsregnskap som viser et overskudd på kr 3 439 754. Årsregnskapet består av balanse per 31. desember 2018, resultatregnskap og kontantstrømpstilling for regnskapsåret avsluttet per denne datoen og noteopplysninger til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening er det medfølgende årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2018, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

#### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i Revisors oppgaver og plikter ved revisjon av årsregnskapet. Vi er uavhengige av selskapet slik det kreves i lov og forskrift, og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

#### Øvrig informasjon

Ledelsen er ansvarlig for øvrig informasjon. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen.

Vår uttalelse om revisjonen av årsregnskapet dekker ikke øvrig informasjon, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese øvrig informasjon med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom øvrig informasjon og årsregnskapet, kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon.

Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

#### Styrets og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for

#### Offices in:

Oslo	Elvåsen	Amstarna	Stock
Ålesund	Farsund	Molde	Stavanger
Arendal	Hauger	Sken	Tromsø
Bergen	Haugesund	Sørkjølund	Trondheim
Bosn	Karvik	Sørnessjøen	Tysnes
Drammen	Kibikjøland	Stavanger	Ålesund

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Statautoriserede revisorer - medlemmer av Den norske Revisjonsforbund



Revisors beretning - 2018  
Hogg Robinson Nordic Holding AS

å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avvirket.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir vurdert som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke økonomiske beslutninger som brukerne foretar basert på årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og anslår vi risikoen for vesentlig feilinformasjon i regnskapet, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av internkontroll.
- opparbeider vi oss en forståelse av den interne kontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på hensiktsmessigheten av ledelsens bruk av fortsatt drift-forutsetningen ved avleggelsen av regnskapet, basert på innhentede revisjonsbevis, og hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape tvil av betydning om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i regnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet inntil datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke fortsetter driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen og til hvilken tid revisjonsarbeidet skal utføres. Vi utveksler også informasjon om forhold av betydning som vi har avdekket i løpet av revisjonen, herunder om eventuelle svakheter av betydning i den interne kontrollen.



Revisors beretning - 2018  
Hogg Robinson Nordic Holding AS

#### Uttalelse om andre lovmessige krav

##### Konklusjon om årsberetningen

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##### Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendig i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringskikk i Norge.

##### Andre forhold

Denne beretning erstatter tidligere avgitt beretning, datert 01.07.2019, som ble avgitt ved utløpet av lovens frist for avholdelse av generalforsamling. Fullstendig årsregnskap og årsberetning var på dette tidspunkt ikke avgitt av styret og daglig leder.

Oslo, 15. juli 2019  
KPMG AS

Øyvind Skorgevik  
Statsautorisert revisor