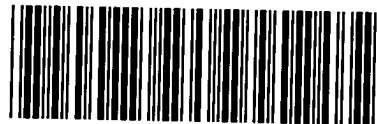


Company Registration No. 01094729 (England and Wales)

CAPITA TRAVEL AND EVENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

CAPITA TRAVEL AND EVENTS LIMITED

COMPANY INFORMATION

Directors	J Parkhouse S J S Mayall on behalf of Capita Corporate Director Limited P M Smith (Appointed 2 December 2014)
Secretary	Capita Group Secretary Limited
Company number	01094729
Registered office	The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Auditors	KPMG LLP 15 Canada Square London E14 5GL
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Herbert Smith Freehills Exchange House Primrose Street London EC2A 2HS

CAPITA TRAVEL AND EVENTS LIMITED

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CAPITA TRAVEL AND EVENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

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

The principal activity of the company continued to be that of travel agents. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

On 1 January 2014, the business trade and assets of Booking Services International Limited were transferred to the company, at net book value. The transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Travel and Events Limited. The results of Booking Services International Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, Booking Services International Limited recorded turnover of £17,997,970 and an operating profit of £7,052,235.

On 1 January 2014, the business trade and assets of Expotel Hotel Reservations Limited were transferred to the company, at net book value. The transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Travel and Events Limited. The results of Expotel Hotel Reservations Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, Expotel Hotel Reservations Limited recorded turnover of £10,149,667 and an operating profit of £3,653,194.

On 1 January 2014, the business trade and assets of Venues Event Management Limited were transferred to the company, at net book value. The transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Travel and Events Limited. The results of Venues Event Management Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, Venues Event Management Limited recorded turnover of £4,336,851 and an operating profit of £1,692,748.

These acquisitions have significantly grown the business and as shown in the company's profit and loss account on page 6, the company's turnover has increased from £17,562,383 in 2013 to £51,677,567 in 2014 and operating profit has increased from £7,980,327 to £21,004,178 over the same period.

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets have increased from £4,106,360 to £20,271,331. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 11 and 12 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manages their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Workplace Services division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

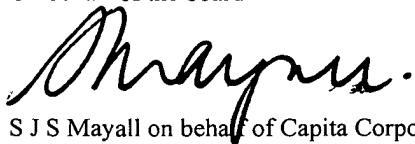
Group risks are discussed in the group's annual report which does not form part of this report.

CAPITA TRAVEL AND EVENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

On behalf of the board

A handwritten signature in black ink, appearing to read 'S J S Mayall', is written over the printed name.

S J S Mayall on behalf of Capita Corporate Director Limited

Director

29 July 2015

CAPITA TRAVEL AND EVENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

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

An Interim dividend of £377,000 was paid during the year (2013: £5,500,000).

Environmental Matters

Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in note 21 to the financial statements.

Directors

The following directors have held office since 1 January 2014:

J Parkhouse

S J S Mayall on behalf of Capita Corporate Director Limited

T C Richards

(Resigned 15 May 2015)

A J Hardy

(Resigned 2 December 2014)

P M Smith

(Appointed 2 December 2014)

Auditors

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

CAPITA TRAVEL AND EVENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow Directors and the company's auditor, each Director has taken all the steps that he might reasonably be expected to take as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited

Director

29 July 2015

CAPITA TRAVEL AND EVENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPITA TRAVEL AND EVENTS LIMITED

We have audited the financial statements of Capita Travel and Events Limited for the year ended 31 December 2014 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Simon Baxter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

29 July 2015
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CAPITA TRAVEL AND EVENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	Restated 2013 £
Turnover	2	51,677,567	17,562,383
Cost of sales		(15,120,585)	(3,275,524)
Gross profit		36,556,982	14,286,859
Administrative expenses		(16,240,602)	(6,383,094)
Other operating income		687,798	76,562
Operating profit	3	21,004,178	7,980,327
Other interest receivable and similar income	4	3,804	-
Interest payable and similar charges	5	(23)	(145)
Profit on ordinary activities before taxation		21,007,959	7,980,182
Tax on profit on ordinary activities	6	(4,465,988)	(1,906,147)
Profit for the year	16	16,541,971	6,074,035

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

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

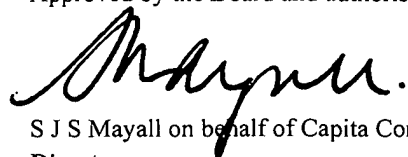
CAPITA TRAVEL AND EVENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	8	4,723,988	333,044
Tangible assets	9	2,162,245	512,898
Investments	10	6,902,960	8,111,367
		<u>13,789,193</u>	<u>8,957,309</u>
Current assets			
Debtors	11	95,312,896	14,503,426
Cash at bank and in hand		6,582,959	-
		<u>101,895,855</u>	<u>14,503,426</u>
Creditors: amounts falling due within one year	12	(94,783,598)	(19,354,375)
Net current assets/(liabilities)		<u>7,112,257</u>	<u>(4,850,949)</u>
Total assets less current liabilities		<u>20,901,450</u>	<u>4,106,360</u>
Provisions for liabilities	13	(630,119)	-
		<u>20,271,331</u>	<u>4,106,360</u>
Capital and reserves			
Called up share capital	15	100,001	100,001
Share premium account	16	180	180
Profit and loss account	16	20,171,150	4,006,179
Shareholders' funds	17	<u>20,271,331</u>	<u>4,106,360</u>

Approved by the Board and authorised for issue on 29 July 2015



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

Company Registration No. 01094729

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

1.2 Compliance with accounting standards

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

1.3 Turnover

Turnover represents the net commissions receivable during the year.

1.4 Goodwill

Goodwill is amortised through the profit and loss account over its useful economic life that is considered to be 20 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1.5 Software Development

Software Development is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful life of between 5 to 15 years.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold improvements	over the period of the lease
Fixtures, fittings & equipment	3 - 5 years

1.7 Leasing

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

1.8 Investments

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

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.10 Deferred taxation

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

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more or less likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Share-based payments

The company participates in various share option and sharesave schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with Capita plc, the ultimate parent undertaking.

In accordance with FRS 20, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.13 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

1.14 Change in presentation of costs

During the year, the Directors reviewed the method for allocating Cost of sales and Administrative expenses in the Profit and Loss Account, which had previously been based on a fixed percentage of total costs. The Cost of sales and Administrative expenses are now split on a detailed analysis of each cost item. As a result of this change, £2,986,814 relating to the year ended 31 December 2013 was reclassified from Administrative expenses to Cost of sales.

1.15 Related party transactions

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

1.16 Financial instruments: disclosure and presentation

The company has taken advantage of the exemption allowed by paragraph 2D (a) of FRS 29 not to make these disclosures in its own financial statements as the publicly available consolidated financial statements of Capita plc include the required disclosures for the group.

1.17 Transfer of business trade and assets

On 1 January 2014, the business trade and assets of Booking Services International Limited were transferred to the company, at net book value. The transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Travel and Events Limited. The results of Booking Services International Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, in the year ended 31 December 2013, Booking Services International Limited recorded turnover of £17,997,970 and an operating profit of £7,052,235.

On 1 January 2014, the business trade and assets of Expotel Hotel Reservations Limited were transferred to the company, at net book value. The transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Travel and Events Limited. The results of Expotel Hotel Reservations Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, in the year ended 31 December 2013, Expotel Hotel Reservations Limited recorded turnover of £10,149,667 and an operating profit of £3,653,194.

On 1 January 2014, the business trade and assets of Venues Event Management Limited were transferred to the company, at net book value. The transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Travel and Events Limited. The results of Venues Event Management Limited have been included from the date of transfer and comparative numbers have not been restated. It is not practicable to determine the post-acquisition results of the business, however to give an indication of the size of the operation transferred, in the year ended 31 December 2013, Venues Event Management Limited recorded turnover of £4,336,851 and an operating profit of £1,692,748.

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

2 Turnover

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

3	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	196,272	-
	Depreciation of tangible assets	491,866	173,402
	Operating lease rentals		
	- Plant and machinery	215,309	108,065
	- Other assets	1,024,673	350,000
	and after crediting:		
	Profit on disposal of tangible assets	(29,554)	-
	Profit on foreign exchange transactions	(687,798)	(76,562)
		<u> </u>	<u> </u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £3,000 (2013: £3,000). The company has taken advantage of the exemption provided by regulation 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

During the year an exceptional item amounting to £4.7m was credited to revenue following a revision of the potential liabilities arising from expired commercial contracts.

4	Investment income	2014 £	2013 £
	Bank interest	3,804	-
		<u>3,804</u>	<u>-</u>

5	Interest payable	2014 £	2013 £
	On bank loans and overdrafts	23	-
	Other interest	-	145
		<u>23</u>	<u>145</u>

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	4,108,403	1,869,683
	Adjustment for prior years	(6,524)	28,340
	Total current tax	<u>4,101,879</u>	<u>1,898,023</u>
	Deferred tax		
	Deferred tax charge current year	410,669	35,489
	Deferred tax adjustment in respect of previous year	(46,560)	(27,365)
		<u>364,109</u>	<u>8,124</u>
		<u>4,465,988</u>	<u>1,906,147</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>21,007,959</u>	<u>7,980,182</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)	<u>4,516,711</u>	<u>1,855,392</u>
	Effects of:		
	Non deductible expenses	52,124	33,905
	Capital allowances in excess of depreciation	(137,719)	(19,614)
	Tax losses utilised	(18,963)	-
	Adjustments to previous periods	(6,524)	28,340
	Other timing differences	(303,750)	-
		<u>(414,832)</u>	<u>42,631</u>
	Current tax charge for the year	<u>4,101,879</u>	<u>1,898,023</u>

The UK corporation tax rate has decreased from 21% to 20% from 1 April 2015. The deferred tax balance has been adjusted to reflect this change.

7	Dividends	2014 £	2013 £
	Ordinary interim paid	<u>377,000</u>	<u>5,500,000</u>

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

8 Intangible fixed assets

	Software Development	Goodwill	Total
	£	£	£
Cost			
At 1 January 2014	333,044	-	333,044
Transfer from investments	-	1,208,407	1,208,407
Additions	1,142,262	-	1,142,262
Intra group transfer	39,900	2,316,000	2,355,900
At 31 December 2014	1,515,206	3,524,407	5,039,613
Amortisation			
At 1 January 2014	-	-	-
Charge for the year	80,472	115,800	196,272
Intra group transfer	3,553	115,800	119,353
At 31 December 2014	84,025	231,600	315,625
Net book value			
At 31 December 2014	1,431,181	3,292,807	4,723,988
At 31 December 2013	333,044	-	333,044

Goodwill relates to the acquisition of the business, assets and liabilities of Booking Services International Limited, which was acquired during 2014. Furthermore, the cost of the company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets and goodwill at the time of acquisition. As a result of that transfer, the value of the company's investment in that subsidiary undertaking fell below the amount at which it was stated in the company's accounting records. Schedule 1 to the Companies Act 2006 The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account. However, the directors consider that, as there has been no overall loss to the company, it would fail to give a true and fair view to charge that diminution to the company's profit and loss account for the year and it should instead be re-allocated to goodwill and the identifiable net assets transferred, so as to recognise in the company's individual balance sheet the effective cost to the company of those net assets and goodwill.

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Tangible fixed assets

	Land and buildings leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2014	624,592	354,423	979,015
Intra group transfer	837,969	1,150,020	1,987,989
Additions	59,261	849,441	908,702
Disposals	(4,099)	(333,319)	(337,418)
At 31 December 2014	1,517,723	2,020,565	3,538,288
Depreciation			
At 1 January 2014	352,292	113,825	466,117
Intra group transfer	143,337	580,815	724,152
On disposals	(2,870)	(303,222)	(306,092)
Charge for the year	132,693	359,173	491,866
At 31 December 2014	625,452	750,591	1,376,043
Net book value			
At 31 December 2014	892,271	1,269,974	2,162,245
At 31 December 2013	272,300	240,598	512,898

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2014	8,111,367
Transfer to goodwill	(1,208,407)
At 31 December 2014	6,902,960
Net book value	
At 31 December 2014	6,902,960
At 31 December 2013	8,111,367

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held Class	%	Principal activity
Subsidiary undertakings				
Booking Services International Limited	England	Ordinary	100	Hotel programme management
Expotel Group Limited	England	Ordinary	100	Hotel programme management
Nova Midco Limited *	England	Ordinary	100	Dormant
Nova Bidco Limited *	England	Ordinary	100	Dormant
International Travel Group Limited *	England	Ordinary	100	Dormant
Settlement Integrated Solutions Limited *	England	Ordinary	100	Dormant
Expotel Hotel Reservations Limited *	England	Ordinary	100	Hotel, travel and event management
Venues Event Management Limited *	England	Ordinary	100	Event management
NIS Europe Limited *	England	Ordinary	100	Dormant
Latemeetings.com Limited *	England	Ordinary	100	Dormant
International Reservations Limited *	England	Ordinary	100	Dormant
BSI 360 Limited *	England	Ordinary	100	Dormant
BSI (France) SARL *	France	Ordinary	100	Management solutions
The Olive Partnership Limited *	England	Ordinary	100	Dormant

* Indirectly held

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

11 Debtors	2014	2013
	£	£
Trade debtors	40,269,279	5,944,622
Amounts owed by parent and fellow subsidiary undertakings	35,205,779	7,582,485
Other debtors	638,847	-
Prepayments and accrued income	18,423,556	869,084
Deferred tax asset (see note 13)	775,435	107,235
	<u>95,312,896</u>	<u>14,503,426</u>
12 Creditors: amounts falling due within one year	2014	2013
	£	£
Bank loans and overdrafts	-	9,754
Trade creditors	32,398,197	4,893,005
Amounts owed to parent and fellow subsidiary undertakings	46,194,660	10,368,394
Corporation tax	4,055,662	1,869,683
Other taxes and social security costs	1,159,164	3,553
Other creditors	102,511	14,333
Accruals and deferred income	10,873,404	2,195,653
	<u>94,783,598</u>	<u>19,354,375</u>

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

13 Provisions for liabilities

	Other
	£
Balance at 1 January 2014	-
Transfer from subsidiary undertakings	630,119
	<u>630,119</u>
Balance at 31 December 2014	<u>630,119</u>

The provision is made up of dilapidation provisions of £630,119. The company is required to perform repairs on leased properties prior to the properties being vacated at the end of their lease term. Dilapidation (property) provisions for such costs are made where a legal obligation is identified and the liability can be reasonably quantified. In this case it is likely the provision will be utilised in the next three years. The onerous lease provision is based on the future rent expense and related cost of leasehold property (net of estimated sub-lease income) where the space is vacant or currently not planned to be used for ongoing operations.

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2014	
	£	
Balance at 1 January 2014	(107,235)	
Profit and loss account	364,109	
Transfer from subsidiary undertaking	(1,032,309)	
	<u>(775,435)</u>	
Balance at 31 December 2014	<u>(775,435)</u>	

	2014	2013
	£	£
Decelerated capital allowances	(631,201)	(83,468)
Other timing differences	(144,234)	(23,767)
	<u>(775,435)</u>	<u>(107,235)</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

	2014	2013
	£	£
Contributions payable by the company for the year	679,433	220,113
	<u>679,433</u>	<u>220,113</u>

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

15	Share capital	2014 £	2013 £
	Allotted, called up and fully paid		
	100,001 Ordinary shares of £1 each	100,001	100,001

16	Statement of movements on reserves	Share premium account £	Profit and loss account £
	Balance at 1 January 2014	180	4,006,179
	Profit for the year	-	16,541,971
	Dividends paid	-	(377,000)
	Balance at 31 December 2014	180	20,171,150

17	Reconciliation of movements in shareholders' funds	2014 £	2013 £
	Profit for the financial year	16,541,971	6,074,035
	Dividends	(377,000)	(5,500,000)
	Contribution in respect of share based payment charge	48,500	131,697
	Settlement of share based payment charge by intercompany	(48,500)	(131,697)
	Net addition to shareholders' funds	16,164,971	574,035
	Opening shareholders' funds	4,106,360	3,532,325
	Closing shareholders' funds	20,271,331	4,106,360

18 Contingent liabilities

The company has provided bonds to ABTA and IATA, and bank guarantees to tour operators, totalling £6,295,000 (2013: £3,739,000). In addition the company has jointly provided with another group company a bond to Rail Settlement Plan for £45,000,000 (2013: £39,000,000). No loss is expected to arise and there are no tax consequences on any of these bonds.

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

19 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Other	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	7,151	-
Between two and five years	243,695	11,879
	<u>250,846</u>	<u>11,879</u>

20 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	39,460	129,441
Company pension contributions to defined contribution schemes	-	10,400
	<u>39,460</u>	<u>139,841</u>

CAPITA TRAVEL AND EVENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

21 Employees

Number of employees

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

	2014 Number	2013 Number
Management and administration	123	59
Operational and distribution	766	244
	<u>889</u>	<u>303</u>

Employment costs

	2014 £	2013 £
Wages and salaries	20,365,290	8,577,644
Social security costs	1,831,376	821,792
Other pension costs	679,433	220,113
Share based payments	48,500	131,697
	<u>22,924,599</u>	<u>9,751,246</u>

22 Control

The company is a wholly owned subsidiary undertaking of Capita Travel and Events Holdings Limited, a company incorporated in England & Wales. The financial statements of Capita plc are available from the registered office at 71 Victoria Street, London SW1H 0XA.

23 Related party relationships and transactions

During the year, the company sold goods/services in the normal course of business to Capita Glamorgan Consultancy Limited for £39,594 (2013: £nil). All transactions were undertaken at normal market prices. At the balance sheet date the net amount due from Capita Glamorgan Consultancy Limited was £5,561 (2013: £nil). Capita Property and Infrastructure Limited owns 51% of the shares in Capita Glamorgan Consultancy Limited and is one of four shareholders in the subsidiary with influence over the financial and operating policies.