Accounting Policy Changes

IFRS15 ‘Revenue from contracts with customers’ – restatement of 2017 financial statements

The Group has adopted IFRS15 on 1 January 2018. The standard sets out the requirements for recognising revenue from contracts with customers, and supersedes the current revenue recognition guidance including IAS 18 ‘Revenue’, IAS 11 ‘Construction Contracts’ and the related interpretations.

The Group has applied the fully retrospective method when adopting IFRS15 which requires the restatement of the comparative periods presented in the financial statements. Below we have set out the expected impact of the restatement on the year ended 31 December 2017 financial statements and each quarter in 2017.

Impact on the Consolidated Income Statement and Total Comprehensive Income (unaudited)

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>IFRS15 adj</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,400.2</td>
<td>(8.5)</td>
<td>1,391.7</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>(212.1)</td>
<td>16.3</td>
<td>(195.8)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>731.5</td>
<td>7.8</td>
<td>739.3</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(406.7)</td>
<td>(5.1)</td>
<td>(411.8)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>321.5</td>
<td>2.7</td>
<td>324.2</td>
</tr>
<tr>
<td>Financing income</td>
<td>6.5</td>
<td>1.3</td>
<td>7.8</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>229.8</td>
<td>4.0</td>
<td>233.8</td>
</tr>
<tr>
<td>Tax</td>
<td>(47.5)</td>
<td>(1.3)</td>
<td>(48.8)</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>182.3</td>
<td>2.7</td>
<td>185.0</td>
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<tr>
<td>Total comprehensive income</td>
<td>207.7</td>
<td>2.7</td>
<td>210.4</td>
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</table>

Quarterly impact in 2017:

($ in millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>(2.7)</td>
<td>(1.8)</td>
<td>(2.1)</td>
<td>(1.9)</td>
<td>(8.5)</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>4.3</td>
<td>3.4</td>
<td>4.1</td>
<td>4.5</td>
<td>16.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1.6</td>
<td>1.6</td>
<td>2.0</td>
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<td>7.8</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(1.2)</td>
<td>(1.0)</td>
<td>(1.2)</td>
<td>(1.7)</td>
<td>(5.1)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>0.4</td>
<td>0.6</td>
<td>0.8</td>
<td>0.9</td>
<td>2.7</td>
</tr>
<tr>
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<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>0.7</td>
<td>0.9</td>
<td>1.1</td>
<td>1.3</td>
<td>4.0</td>
</tr>
<tr>
<td>Tax</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.4)</td>
<td>(0.5)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Profit after tax</td>
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<td>0.7</td>
<td>0.7</td>
<td>0.8</td>
<td>2.7</td>
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<tr>
<td>Total comprehensive income</td>
<td>0.5</td>
<td>0.7</td>
<td>0.7</td>
<td>0.8</td>
<td>2.7</td>
</tr>
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</table>

1. Reported refers to the Annual report and accounts for 2017.
### Impact on the Consolidated Balance Sheet and Equity (unaudited)

<table>
<thead>
<tr>
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<th>Reported</th>
<th>IFRS 15 adj</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,236.6</td>
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<td>3,255.5</td>
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<tr>
<td>Deferred income tax asset</td>
<td>35.6</td>
<td>(0.2)</td>
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<tr>
<td><strong>Current assets</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>319.4</td>
<td>25.0</td>
<td>344.4</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>4,959.5</td>
<td>43.7</td>
<td>5,003.2</td>
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<tr>
<td><strong>Current liabilities</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
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<tr>
<td><strong>Non-current liabilities</strong></td>
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<tr>
<td>Deferred income tax liabilities</td>
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<td>1.1</td>
<td>238.4</td>
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<tr>
<td><strong>Total liabilities</strong></td>
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<td>50.9</td>
<td>3,755.1</td>
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<tr>
<td><strong>Net assets (Equity)</strong></td>
<td>1,255.3</td>
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<td>1,248.1</td>
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**Quarterly impact in 2017:**

<table>
<thead>
<tr>
<th></th>
<th>B/F</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8.5</td>
<td>3.1</td>
<td>2.3</td>
<td>2.5</td>
<td>2.5</td>
<td>18.9</td>
</tr>
<tr>
<td>Deferred income tax asset</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.2)</td>
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<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>11.0</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
<td>25.0</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>19.5</td>
<td>6.6</td>
<td>5.8</td>
<td>5.9</td>
<td>5.9</td>
<td>43.7</td>
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<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>29.4</td>
<td>5.7</td>
<td>4.9</td>
<td>4.9</td>
<td>4.9</td>
<td>49.8</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred income tax liabilities</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
<td>0.4</td>
<td>0.3</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>29.4</td>
<td>5.9</td>
<td>5.1</td>
<td>5.3</td>
<td>5.2</td>
<td>50.9</td>
</tr>
<tr>
<td><strong>Net assets (Equity)</strong></td>
<td>(9.9)</td>
<td>0.7</td>
<td>0.7</td>
<td>0.6</td>
<td>0.7</td>
<td>(7.2)</td>
</tr>
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</table>

**Impact on the Consolidated Cash Flow Statement (unaudited)**

<table>
<thead>
<tr>
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<th>Reported</th>
<th>IFRS15 adj</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>774.4</td>
<td>15.4</td>
<td>789.8</td>
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<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>760.1</td>
<td>15.4</td>
<td>775.5</td>
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<tr>
<td>Purchase of property, plant and equipment</td>
<td>(438.9)</td>
<td>(15.4)*</td>
<td>(454.3)</td>
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<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(546.7)</td>
<td>(15.4)</td>
<td>(562.1)</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash and cash equivalents</strong></td>
<td>116.9</td>
<td>–</td>
<td>116.9</td>
</tr>
</tbody>
</table>

*all success based capex

**Quarterly impact in 2017:**

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>4.2</td>
<td>3.2</td>
<td>3.8</td>
<td>4.2</td>
<td>15.4</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>4.2</td>
<td>3.2</td>
<td>3.8</td>
<td>4.2</td>
<td>15.4</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(4.2)</td>
<td>(3.2)</td>
<td>(3.8)</td>
<td>(4.2)</td>
<td>(15.4)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(4.2)</td>
<td>(3.2)</td>
<td>(3.8)</td>
<td>(4.2)</td>
<td>(15.4)</td>
</tr>
<tr>
<td><strong>Net (decrease)/increase in cash and cash equivalents</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
### Impact on the Segmental Analysis (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Reported</th>
<th>IFRS15 adj</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maritime</td>
<td>564.7</td>
<td>2.6</td>
<td>567.3</td>
</tr>
<tr>
<td>Government</td>
<td>366.7</td>
<td>–</td>
<td>366.7</td>
</tr>
<tr>
<td>Aviation</td>
<td>195.0</td>
<td>(13.2)</td>
<td>181.8</td>
</tr>
<tr>
<td>Enterprise</td>
<td>132.6</td>
<td>–</td>
<td>132.6</td>
</tr>
<tr>
<td>Central Services</td>
<td>141.2</td>
<td>2.1</td>
<td>143.3</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,400.2</td>
<td>(8.5)</td>
<td>1,391.7</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maritime</td>
<td>441.9</td>
<td>5.1</td>
<td>447.0</td>
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<tr>
<td>Government</td>
<td>265.2</td>
<td>–</td>
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</tr>
<tr>
<td>Aviation</td>
<td>103.4</td>
<td>0.6</td>
<td>104.0</td>
</tr>
<tr>
<td>Enterprise</td>
<td>91.9</td>
<td>–</td>
<td>91.9</td>
</tr>
<tr>
<td>Central Services</td>
<td>(151.0)</td>
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<td>(148.9)</td>
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<td><strong>Adjusted EBITDA</strong></td>
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<td>759.2</td>
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<td>Restructuring charge</td>
<td>(19.9)</td>
<td>–</td>
<td>(19.9)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>731.5</td>
<td>7.8</td>
<td>739.3</td>
</tr>
<tr>
<td><strong>Cash capital expenditure</strong></td>
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<td></td>
</tr>
<tr>
<td>Maritime</td>
<td>43.4</td>
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<td>45.9</td>
</tr>
<tr>
<td>Government</td>
<td>9.9</td>
<td>–</td>
<td>9.9</td>
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<tr>
<td>Aviation</td>
<td>130.9</td>
<td>12.9</td>
<td>143.8</td>
</tr>
<tr>
<td>Enterprise</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Central Services</td>
<td>414.5</td>
<td>–</td>
<td>414.5</td>
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<tr>
<td><strong>Total cash capital expenditure</strong></td>
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<td>Financing costs capitalised in the cost of qualifying assets</td>
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<td>–</td>
<td>40.2</td>
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<td>Cash flow timing</td>
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<tr>
<td><strong>Total capital expenditure</strong></td>
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<td>15.4</td>
<td>690.9</td>
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#### Quarterly impact in 2017:

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<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maritime</td>
<td>0.7</td>
<td>0.7</td>
<td>0.4</td>
<td>0.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Aviation</td>
<td>(3.9)</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(3.3)</td>
<td>(13.2)</td>
</tr>
<tr>
<td>Central Services</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>(2.7)</td>
<td>(1.8)</td>
<td>(2.1)</td>
<td>(1.9)</td>
<td>(8.5)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maritime</td>
<td>1.3</td>
<td>1.0</td>
<td>1.2</td>
<td>1.6</td>
<td>5.1</td>
</tr>
<tr>
<td>Aviation</td>
<td>(0.2)</td>
<td>0.1</td>
<td>0.3</td>
<td>0.4</td>
<td>0.6</td>
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<tr>
<td>Central Services</td>
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<td>0.5</td>
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<td>0.6</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
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<td>1.6</td>
<td>2.0</td>
<td>2.6</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Cash capital expenditure</strong></td>
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<td></td>
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</tr>
<tr>
<td>Maritime</td>
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<td>0.3</td>
<td>0.8</td>
<td>0.8</td>
<td>2.5</td>
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<tr>
<td>Aviation</td>
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<td>3.0</td>
<td>3.4</td>
<td>12.9</td>
</tr>
<tr>
<td><strong>Total cash capital expenditure</strong></td>
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<td>3.2</td>
<td>3.8</td>
<td>4.2</td>
<td>15.4</td>
</tr>
<tr>
<td><strong>Total capital expenditure</strong></td>
<td>4.2</td>
<td>3.2</td>
<td>3.8</td>
<td>4.2</td>
<td>15.4</td>
</tr>
</tbody>
</table>

#### IFRS16 ‘Leases’

The Group has also adopted IFRS16 on 1 January 2018 using the modified retrospective approach which allows for the recognition of the lease liability and asset as at 1 January 2018 with no restatement of prior period financial statements. The main impact is around property leases where the Group is the lessee.

Unlike IFRS15, IFRS16 does not require any adjustments to prior year numbers. However, the Group will outline the impact of IFRS16 in its quarterly financial statements during the course of 2018.