

Crown Blue Line Limited
Reports of the Directors and financial statements
for the year ended 30 September 2018
Company number 946385

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Crown Blue Line Limited
Reports of the Directors for the year ended 30 September 2018

The Directors present their Strategic and Directors' Reports on the financial statements of Crown Blue Line Limited (the "Company") for the year ended 30 September 2018.

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of a provider of inland waterways boating holidays operating this activity through branches located in France and the United Kingdom.

Review of the business

To effectively measure the development, performance and position of the Company, the following Key Performance Indicators (KPIs) are of most relevance:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Revenue	14,900,082	13,573,389
Profit on ordinary activities before taxation	1,115,876	1,230,971
Net assets	<u>61,635,192</u>	<u>61,027,744</u>

The Company's profit on ordinary activities before taxation for the year ended 30 September 2018 was £1,115,876 (2017: £1,230,971). No dividend was paid during the year (2017: £nil) and the Directors do not recommend the payment of a final dividend.

Compared to the previous year, revenue increased by 9.77% driven mainly by foreign exchange movement on revenue from the French branch. Operating profit increased by 36.10%, this is as a result of the increase in holiday revenue from the French branch. Cost of sales increases were mitigated by the savings in administration costs.

The business plans to continue growing, assisted by access to a new and improved boat fleet.

Funding, liquidity and going concern

The Company has net current assets of £19,887,988 (2017: £18,182,698) and net assets of £61,635,192 (2017: £61,027,744). Cash and cash equivalents have increased £1,417,070 during the year mainly driven by an increase in deferred income. Trade and other receivables have increased mainly due to an outstanding intercompany balance not settled by a fellow group company. The Directors have considered the funding and liquidity position of the Company. Following this review, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

An impairment of £1,185,641 in investments has been charged due to a reduction in net assets in the Company's subsidiary.

The Directors consider the future outlook of the Company to be satisfactory.

STRATEGIC REPORT (continued)

Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101")

The Company adopted FRS 101 for the year ended 30 September 2016 and continues to use this basis of accounting.

Principal risks and uncertainties

The principal risks and uncertainties which are common to the Group and the Company are:

- **Destination disruption risk.** Providers of holiday and travel services are exposed to the inherent risk of domestic and international incidents affecting their operations at those destinations. This can include natural disasters and terrorism. The Company aims to mitigate this risk and limit exposure by having geographically spread destinations.
- **Consumer demand.** Spending on travel and tourism is discretionary and price sensitive. The economic outlook remains uncertain with different destinations at different points in the recovery cycle. Consumers are also waiting longer to book their trips in order to assess their financial situation. If we do not respond successfully to changes in consumer demands and preferences, our short-term growth rates and margins will fall below expectations.
- **Market Risk.** The tourism industry is fast-paced and competitive with the emergence of new market participants operating new business models, combined with consumer tastes and preferences evolving all the time. Consumer tastes and preferences have evolved in recent years as well, with more consumers booking their holidays online and via mobiles and tablets, and booking closer to the time of travel. There is the risk that if we do not respond adequately to such business model disruption or if our products and services fail to meet changing customer demands and preferences, that our turnover, market share and profitability will suffer as a result.
- **Input cost volatility.** A significant proportion of operating expenses is in non-local currency which therefore exposes the business to changes in both exchange rates. There is the risk that if we do not manage adequately the volatility of exchange rates, and other input costs, then this could result in increased costs and lead to margin erosion, impacting on our ability to achieve profit targets.
- **Business improvement opportunities.** The Group is heavily reliant on legacy systems, processes and structures which, in some cases, are outdated, complex and inefficient. If we do not address the systems' inefficiencies we may incur higher costs due to inefficiencies and impact our ability to optimise business performance and provide a value added service to our consumers.
- **Legal & regulatory compliance.** The Company operates in a highly-regulated environment, particularly in relation to consumer protection, tax and the environment. If we do not establish an effective system of internal control that ensures we operate in compliance with all legal and regulatory requirements, we will suffer negative impact, damage to our reputation and reduced revenues and/or higher input costs.
- **Health & Safety.** For all providers of holiday and travel services, ensuring the health and safety of customers is of paramount importance. There is the risk of accidents occurring causing injury or death to customers or colleagues whilst on one of our holidays, which the company strives to mitigate. This could result in reputational damage to the Company and/or financial liabilities through legal action being taken by the affected parties. Insurance policies are in place in the event that incidents occur. The company is committed to ensuring the health and safety of all its customers and everyone engaged with its business activities and to providing a safe and suitable environment for all customers.
- **Cyber security.** Our responsibility is to protect the confidentiality, integrity and availability of the data we have and the services we provide to our customers, our employees, our suppliers and service delivery teams. There is a risk that our increasing dependence on online sales and customer care channels increases our exposure and susceptibility to cyber-attacks and hacks. If we do not ensure we have the appropriate level of security controls in place across the Group, this could have a significant negative impact on our key stakeholders, associated reputational damage and potential for financial implications.

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STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Profitability of the Company's subsidiary and dividends received.** Dividends received from the Company's subsidiary are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of the subsidiary. From time to time some of the Company's profits are generated by dividends received from its subsidiary, and so the Company's profitability from one year to another can therefore vary.
- **Recoverability of the carrying value of investments.** The Company provides capital to its subsidiary undertakings when necessary in order to promote their long-term development and success. The recoverability of each investment will depend upon this long-term success and the future cash flows that are expected to be generated by each subsidiary. To the extent that the future cash flows do not support the carrying value of the investment, an impairment is required to be recognised in the Company's statement of total comprehensive income.

On behalf of the Board



T Fahy
Director

Company Number 946385

Dated 18 JUNE 2019

DIRECTORS' REPORT

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

C F Brown	
S B M Cross	Resigned 29 June 2018
M R Prior	Resigned 29 June 2018
T Fahy	Appointed 29 June 2018

Directors' insurance

Throughout the financial year Travelopia Holdings Limited, an intermediate parent company, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. These policies meet the Companies Act 2006 definition of a qualifying third party indemnity provision.

Audit exemption statement

For the financial period ended 30 September 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the financial period in question in accordance with Section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Business review

A fair review of the business, including an analysis of the performance and financial position of the Company, together with details of key performance indicators, dividends, funding and liquidity, future developments and post balance sheet events are included within the Strategic Report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors 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 prepared the 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 company and of the profit or loss of the company for that period. In preparing the 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 United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT (continued)

Statement of Directors' responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



T Fahy
Director

Company Number 946385

Dated 18 JUNE 2019

Crown Blue Line Limited

Statement of total comprehensive income for the year ended 30 September 2018

		Year ended 30 September 2018	Year ended 30 September 2017
	Note	£	£
Revenue	6	14,900,082	13,573,389
Cost of sales		(4,882,657)	(3,920,345)
Gross profit		10,017,425	9,653,044
Administrative expenses		(7,673,364)	(7,930,765)
Operating profit		2,344,061	1,722,279
Amounts written off investments	14	(1,185,641)	(483,613)
Profit on disposal of fixed assets		1,114	49
Profit on ordinary activities before interest and taxation		1,159,534	1,238,715
Finance income	7	1	181
Finance expenses	8	(43,659)	(7,925)
Profit on ordinary activities before taxation	9	1,115,876	1,230,971
Tax expense	11	(508,428)	(699,454)
Profit for the financial year		607,448	531,517
Total comprehensive income for the year attributable to owners of the parent		607,448	531,517

Crown Blue Line Limited
Balance sheet as at 30 September 2018

		30 September 2018	30 September 2017
	Note	£	£
Non-current assets			
Intangible assets	12	9,674	11,283
Property, plant and equipment	13	1,593,868	1,523,971
Investments in subsidiaries	14	40,204,871	41,390,512
		41,808,413	42,925,766
Current assets			
Inventories	16	569,105	505,056
Trade and other receivables	15	15,363,202	14,473,750
Income tax – group relief recoverable		-	3,577
Cash and cash equivalents		7,623,745	6,206,676
		23,556,052	21,189,059
Total assets		65,364,465	64,114,825
Current liabilities			
Trade and other payables	17	(3,548,393)	(2,908,616)
Provisions for liabilities	18	(34,823)	(97,745)
Income tax – group payable		(84,848)	-
		(3,668,064)	(3,006,361)
Non-current liabilities			
Deferred tax liabilities	19	(61,209)	(80,720)
		(61,209)	(80,720)
Total liabilities		(3,729,273)	(3,087,081)
Net assets		61,635,192	61,027,744
Equity			
Called up share capital	21	44,979,379	44,979,379
Share premium account	22	162,665	162,665
Profit and loss account	22	16,493,148	15,885,700
Total equity attributable to owners of the parent		61,635,192	61,027,744

The notes on pages 9 to 20 form part of these financial statements.

Audit exemption statement

For the financial period ended 30 September 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the financial period in question in accordance with Section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Approval and authorization for issue

The financial statements on pages 6 to 20 were approved and authorised for issue by the Board of Directors on **18 JUNE 19** and signed on its behalf by:



T Fahy
Director

Crown Blue Line Limited

Statement of changes in equity for the year ended 30 September 2018

	Called up share capital £	Share premium reserve £	Profit and loss account £	Total equity £
At 1 October 2016	44,979,379	162,665	15,354,183	60,496,227
Total comprehensive income for the year	-	-	531,517	531,517
At 30 September 2017	44,979,379	162,665	15,885,700	61,027,744
Total comprehensive income for the year	-	-	607,448	607,448
At 30 September 2018	44,979,379	162,665	16,493,148	61,635,192

1. General information

The Company is a private limited company incorporated and domiciled in England. The address of its registered office is Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. The Company's registered number is 946385.

The principal activity of the Company continues to be that of a provider of inland waterways boating holidays operating this activity through branches located in France and the United Kingdom.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities measured at fair value through the statement of total comprehensive income, on a going concern basis and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

FRS 101

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by Financial Reporting Standard 100 'Application of financial reporting requirements' ("FRS 100") which addresses the financial requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

The Company has adopted both the provisions of Statutory Instrument 2015 No.980 'The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015' ("SI 980") and FRS 101 (September 2015), which permit the use of the formats prescribed in International Accounting Standard 1 'Presentation of financial statements' ("IAS 1") for the primary statements, as opposed to using the formats prescribed by Companies Act 2006.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in the Company's functional currency of Sterling, rounded to the nearest pound.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the financial years presented.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical purchase cost, including any costs attributable to bringing an asset to its working condition for its intended use, less accumulated depreciation.

Depreciation is charged on a straight-line basis to the residual value over the estimated useful lives of the assets which are as follows:

Boats	15 to 24 years
Short lease property improvements	Over period of lease
Plant, equipment and motor vehicles	3 to 10 years

Useful lives are estimated taking into account the rate of technological change and intensity of use of the assets and are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses.

3. Summary of significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less estimated selling expenses. Where necessary, provision is made for obsolete, slow-moving or defective goods.

Impairment of non-financial assets

Non-financial assets not subject to amortisation are tested annually for impairment. Non-financial assets that *are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate* that the carrying amount may not be recoverable. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of total comprehensive income whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets, if not, they are presented as non-current assets. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less impairment losses.

Impairment of financial assets

The Company's financial assets held at amortised cost are assessed at the end of each reporting period for impairment. Impairment losses are incurred only if there is objective evidence of the impairment as a result of one or more events after the initial recognition of the asset (a 'loss event') and that the loss event has an impact on the *estimated future cash flows of the asset that can be reliably estimated*.

Cash and cash equivalents

Cash comprises cash at bank. The Company does not invest in deposits held on call with banks or other short-term highly liquid investments.

Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from third party suppliers or other Group companies. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. If payment is expected in one year or less they are classified as current liabilities, if not, they are presented as non-current liabilities.

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risk specific to the liability. The increase in the provision due to passage of time is recognised as a financial expense. If provisions is expected to be utilised in one year or less, they are classified as current liabilities, if not, they are presented as non-current liabilities.

Foreign currency translation

Foreign currency transactions are initially translated into the Company's functional currency using the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from translation to year-end rates are recognised in the statement of total comprehensive income.

3. Summary of significant accounting policies (continued)

Revenue

The Company has one class of business acting as a provider of inland waterways boating holidays. Revenue originates solely from agents' commission, receivable by the Company in the ordinary course of business for the provision of holidays and associated services as principal. Revenue is measured at the fair value of the consideration received or receivable and is stated net of discounts and value added tax. The Company recognises revenue on the date of departure of the holiday and the related costs of distribution and of providing the holidays are charged to the statement of total comprehensive income on the same basis.

Marketing and other direct sales costs

Marketing, advertising and other promotional costs, including those related to the production of brochures, are expensed as expenditure is incurred.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Finance income and finance expense

Finance income recognised in the statement of total comprehensive income mainly comprises interest receivable on trading balances due from Group undertakings. Finance expense recognised in the statement of total comprehensive income mainly comprises of bank interest.

Current and deferred tax

The tax expense for the year comprises current and deferred tax and is recognised in the statement of total comprehensive income. Current tax is the expected tax payable (or recoverable) for the current financial year using the average tax rate for the year. To the extent available, the amount is first recovered from, or surrendered to, other Group companies as group relief.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used.

Deferred 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 tax assets and liabilities relate to income taxes levied by the same tax authority.

Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

Called up share capital

Ordinary shares are classified as equity.

4. Reduced disclosures permitted by FRS 101

The Company meets the definition of a qualifying entity of Tim Intermediateco Limited, as defined by FRS 100, as the results of this Company are fully consolidated into the Group financial statements of Tim Intermediateco Limited. Details for obtaining the Group financial statements of Tim Intermediateco Limited can be found in Note 23. Where applicable and required by FRS 101, equivalent disclosures have been provided in the Group's consolidated financial statements in accordance with the Application Guidance to FRS 100. As such, the Company has taken advantage of the following disclosure exemptions as set out in paragraph 8 of FRS 101:

IFRS	Relevant paragraphs of IFRS	Disclosure exemptions taken
IFRS 7 'Financial instruments'	All paragraphs	All disclosure requirements.
IFRS 13 'Fair value measurement'	91 to 99	All disclosure requirements in respect of the valuation techniques and inputs used for the fair value measurement of assets and liabilities.
IAS 1 'Presentation of financial statements'	38	Paragraph 79(a)(iv) of IAS 1.
	38 A to D	Certain additional comparative information.
	10(d) and 111	A statement of cash flows and related information.
	10(f) and 40 A to D	A balance sheet as at the beginning of the preceding financial period when an entity applies an accounting policy retrospectively or when it reclassifies items in its financial statements.
	16	A statement of compliance with all IFRS.
	134 to 136	Information on the Company's objectives, policies and processes for managing capital.
IAS 7 'Statement of cash flows'	All paragraphs	IAS 7 disclosures in full.
IAS 8 'Accounting policies, changes in accounting estimates and errors'	30 and 31	New standards and interpretations that have been issued but which are not yet effective.
IAS 24 'Related party transactions'	17 and the requirements to disclose transactions between two group subsidiaries.	Detailed related party transaction information including key management compensation and transactions with other wholly owned subsidiaries of the Group.

5. Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the carrying value of assets, liabilities and total comprehensive income for the year are disclosed as follows:

a) Investments in subsidiary undertakings

Judgement is required in the assessment of the carrying amount of the investments in the Company's direct undertakings. Estimation of the recoverable amount of investments requires the Company to assess future cash flows projected to be generated by the subsidiary, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products.

Crown Blue Line Limited
Notes to the financial statements for the year ended 30 September 2018

6. Revenue

Analysis of revenue by geography:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
United Kingdom and Ireland	2,245,701	1,930,583
Rest of Europe	10,292,903	9,068,161
Rest of the World	2,361,478	2,574,645
	<u>14,900,082</u>	<u>13,573,389</u>

7. Finance income

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Interest income	1	181
Total finance income	<u>1</u>	<u>181</u>

8. Finance expense

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Bank interest expense	43,659	7,925
Total finance expense	<u>43,659</u>	<u>7,925</u>

9. Profit on ordinary activities before taxation

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation on property, plant and equipment (Note 13)	369,020	279,990
Provisions for liabilities (Note 18)	34,823	66,000
Operating lease charges – land and buildings	403,210	334,350
Operating lease charges – plant and machinery equipment	77,885	75,736
Amounts written off investments	1,185,641	483,613
Exceptional (refund) / charge	(99,246)	1,103,088
Foreign exchange gains	<u>(29,264)</u>	<u>(261,142)</u>

Auditors' remuneration

The Company is exempt from an audit in the current financial year. The auditors' remuneration for the financial year ended 30 September 2017 was £29,600.

Exceptional refunds of £99,246 which comprised mainly of a delayed business interruption claim in France.

10. Employees and Directors

Employee costs for the Company during the year were:

	Year ended 30 September 2018	Year ended 30 September 2017
	£	£
Wages and salaries	4,784,370	4,121,362
Social security costs	1,615,671	1,458,577
Other pension costs	3,089	2,133
	<u>6,403,130</u>	<u>5,582,072</u>

The pension costs relating to the Travelopia Defined Contribution Scheme, and charged to the statement of total comprehensive income, amounted to £3,089 (2017: £2,133). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The average number of persons (including Directors) employed by the Company during the year was:

	Year ended 30 September 2018	Year ended 30 September 2017
	Number	Number
Administration	37	38
Engineers and boatyard	133	127
Management	29	23
	<u>199</u>	<u>188</u>

Directors' remuneration

The Directors received no remuneration for their services as Directors of the Company (2017: £nil). The Company's Directors are directors of a number of fellow subsidiary companies and their remuneration was paid by another Group company, which makes no recharge to the Company (2017: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

11. Tax expense

The tax expense can be summarised as follows:

(i) Analysis of tax expense in the year

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Current tax:		
Current tax on profits for the year	19,718	-
Adjustment in respect of previous years	68,864	-
Foreign tax suffered	439,357	618,959
Total current tax	527,939	618,959
Deferred tax:		
Origination and reversal of temporary differences:		
- current year	(17,856)	201
- adjustment in respect of previous periods	(307)	80,310
- effect of change in tax rate	(1,348)	(16)
Total deferred tax (Note 19)	(19,511)	80,495
Total tax expense in the statement of total comprehensive income	508,428	699,454

(ii) Factors affecting the tax expense in the year

The tax expense (2017: expense) for the year ended 30 September 2018 is different to (2017: different to) the standard rate of corporation tax in the UK of 19% (2017: 19.5%). The differences are shown in the table below:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Profit on ordinary activities before taxation	1,115,876	1,230,971
Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 19% (2017: 19.5%)	212,017	240,022
Effects of:		
- Expenses not deductible for tax purposes	225,272	94,298
- Adjustment to tax charge in respect of previous periods	68,557	80,310
- Foreign tax suffered	439,357	618,959
- Tax rate changes	(1,348)	(16)
- Amounts not recognised	(174,879)	(137,353)
- Other differences	2,872	9,476
- Foreign branch exemption	(263,420)	(206,242)
Total tax expense in the statement of total comprehensive income	508,428	699,454

(iii) Factors affecting the future tax charge

The UK rate of taxation is expected to follow the standard rate of UK corporate tax in future periods.

The main UK corporation tax rate will reduce to 17% from 1 April 2020. At 30 September 2017, deferred tax assets and liabilities have been calculated based on the current UK corporation tax rate of 19%, or 17% where the temporary difference is expected to reverse after 1 April 2020. This reduction is also expected to reduce the Company's future current tax accordingly.

Deferred tax assets have not been recognised in respect of capital and trading losses as there is insufficient evidence that the assets will be recovered. Further details can be seen in Note 19.

12. Intangible assets

	Computer Software £
Cost:	
At 1 October 2017	17,078
Exchange adjustment	176
At 30 September 2018	17,254
Accumulated amortisation:	
At 1 October 2017	5,795
Exchange adjustment	60
Charge for the year	1,725
At 30 September 2018	7,580
Net book value:	
At 30 September 2018	9,674
At 30 September 2017	11,283

13. Property, plant and equipment

	Boats £	Plant, equipment and motor vehicles £	Short leasehold property improvements £	Total £
Cost:				
At 1 October 2017	552,789	2,340,724	1,039,115	3,932,628
Exchange adjustment	5,713	23,093	10,617	39,423
Additions	-	350,182	94,002	444,184
Disposals	-	(16,130)	(20,269)	(36,399)
At 30 September 2018	558,502	2,697,869	1,123,465	4,379,836
Accumulated depreciation:				
At 1 October 2017	552,789	1,061,823	794,045	2,408,657
Exchange adjustment	5,713	10,157	8,551	24,421
Disposals	-	(16,130)	-	(16,130)
Charge for the year	-	333,160	35,860	369,020
Transfer of asset group	-	(43,381)	43,381	-
At 30 September 2018	558,502	1,345,629	881,837	2,785,968
Net book value:				
At 30 September 2018	-	1,352,240	241,628	1,593,868
At 30 September 2017	-	1,278,900	245,070	1,523,971

Crown Blue Line Limited
Notes to the financial statements for the year ended 30 September 2018

14. Investments in subsidiaries

	Investments in subsidiaries £
Cost:	
At 30 September 2018	41,390,512
Accumulated impairment:	
At 1 October 2018	-
Impairment	(1,185,641)
At 30 September 2018	(1,185,641)
Net book value:	
At 30 September 2018	40,204,871
At 30 September 2017	41,390,512

The Company's impairment to investments in subsidiaries of £1,185,641 was due to a decrease in the net assets of its subsidiary, this being considered as the recoverable value.

List of investments in subsidiaries at 30 September 2018:

Name of undertaking	Country of incorporation	Registered address	Share class	% held by directly by the Company	Total % held by Group Companies
Porter and Haylett Limited	United Kingdom	Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD	£1.00 Ordinary shares	100	100

The Directors believe that the book value of its investment is supported by the higher of underlying net assets or their recoverable value.

15. Trade and other receivables

	30 September 2018 £	30 September 2017 £
Amounts due from Group undertakings	14,896,716	14,104,908
Other receivables	39,362	42,024
Prepayments and accrued income	427,124	326,818
	15,363,202	14,473,750

Amounts due from Group undertakings

Amounts due from Group undertakings are unsecured, bear no interest and are repayable on demand.

16. Inventories

	30 September 2018 £	30 September 2017 £
Boat spares and consumables	569,105	505,056

17. Trade and other payables

	30 September 2018	30 September 2017
	£	£
Trade payables	370,912	325,057
Amounts due to Group undertakings	496,183	489,237
Other payables	611,715	635,325
Accruals and deferred income	1,298,985	1,148,939
Taxation and social security	198,193	178,131
Overseas tax payable	572,405	131,927
	<u>3,548,393</u>	<u>2,908,616</u>

Amounts due to Group undertakings

Amounts due to Group undertakings are unsecured, bear no interest and are repayable on demand.

18. Provisions for liabilities

Analysis of the movements during the year:

	Restructuring £
At 1 October 2017	97,745
Provided during the year	34,823
Utilised during the year	(97,745)
At 30 September 2018	<u>34,823</u>

	30 September 2018	30 September 2017
	£	£
<i>Analysed as:</i>		
- Current	34,823	97,745
	<u>34,823</u>	<u>97,745</u>

Restructuring

The provision relates to employee related cases and the costs associated with restructures in some of the French bases.

19. Deferred tax assets and liabilities

	30 September 2018	30 September 2017
	£	£
Deferred tax liabilities		
Accelerated capital allowances	61,209	80,720

Movements in deferred taxation during the current year are analysed as follows:

	Accelerated capital allowances £
At 1 October 2016	225
Charged to the statement of total comprehensive income	80,495
At 30 September 2017	<u>80,720</u>
Charged to the statement of total comprehensive income	(19,511)
At 30 September 2018	<u>61,209</u>

Accelerated capital allowances principally relate to timing differences in respect of property, plant and equipment.

19. Deferred tax assets and liabilities (continued)

Unrecognised deferred tax assets

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Company did not recognise deferred income tax assets as follows:

	30 September 2018		30 September 2017	
	Loss	Deferred tax asset	Loss	Deferred tax Asset
	£	£	£	£
Trading losses	-	-	567,238	102,103
Capital losses	99,305	16,882	99,305	17,875
	99,305	16,882	666,543	119,978

The assets will be recovered if there are sufficient trading and chargeable gains in the future against which to offset the losses.

There are no other unrecognised deferred tax assets nor un-provided deferred tax liabilities at either 30 September 2018 or 30 September 2017.

20. Operating lease commitments

The Company's total obligations under non-cancellable operating lease contracts are payable as follows:

	30 September 2018	30 September 2017
	£	£
Land and buildings		
No later than one year	403,210	334,350
Later than one year and no later than five years	659,542	429,694
Later than five years	813,414	299,761
	1,876,166	1,063,805
Equipment		
No later than one year	77,885	75,736
Later than one year and no later than five years	123,851	152,745
	201,736	228,481

21. Called up share capital

	30 September 2018	30 September 2017
	£	£
Issued and fully paid		
44,979,379 (2017: 44,979,379) ordinary shares of £1.00 each	44,979,379	44,979,379

22. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

23. Ultimate parent company and controlling party

The ultimate controlling party of the Company is KKR & Co Inc, (formerly KKR & Co L.P) on behalf of funds under its management. The immediate parent company is Travelopia France SARL.

The smallest and largest group in which the results of the Company are consolidated is that headed by Tim Intermediateco Limited. Copies of the Tim Intermediateco Limited financial statements are available from the Company Secretary, Travelopia Holdings Limited, Origin One, 108 High Street, Crawley, West Sussex, RH10 1BD. No other financial statements include the results of the Company.