

Crown Holidays Limited
Reports of the Directors and financial statements
for the year ended 30 September 2017
Company number 1734244

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Crown Holidays Limited
Reports of the Directors for the year ended 30 September 2017

The Directors present their Strategic and Directors' Reports on the audited financial statements of Crown Holidays Limited ("Company") for the year ended 30 September 2017.

STRATEGIC REPORT

The Company's principal activity during the year continued to be that of a holding company.

On 15 June 2017, TUI AG, the former ultimate parent company, sold the Travelopia Group of companies (the 'Group'), of which the Company is part of, to private equity firm KKR & Co L.P, which became the new ultimate controlling party.

Review of the business

The Company's direct and indirect trading subsidiaries are within the Group and comprise tour operator businesses specialising in boat hire. A list of the subsidiary undertakings is provided in Note 10 of these financial statements.

Since the Company is an intermediate parent company, its business performance and key performance indicators are driven by both the underlying operating performance of its subsidiaries and the capital structure of the Company.

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 2017 £'000	Year ended 30 September 2016 £'000
(Loss)/profit before taxation	(12)	280
Net assets	16,676	16,627

As the Company does not employ personnel or provide tour operating services itself, analysis of the Company's performance using KPIs relating to environmental and employee matters are not considered relevant.

The Company's loss before taxation for the year ended 30 September 2017 was (£12,000) (2016: £280,000 profit). No dividend was paid during the year (2016: £nil) and the Directors do not recommend the payment of a final dividend. The movement of £292,000 in administration expenses is mainly driven by the write back of old unsettled intercompany balances in financial year 2016.

In the year ended 30 September 2017, no dividends were received from the Company's subsidiaries (2016: £nil).

Funding, liquidity and going concern

The Company has net current assets of £13,750,000 (2016: £13,701,000) and net assets of £16,676,000 (2016: £16,627,000). 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.

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

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.

STRATEGIC REPORT (continued)

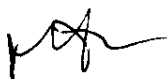
Principal risks and uncertainties

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

- **Brexit.** The UK's EU Membership referendum decision to leave the EU has increased uncertainty, particularly to foreign exchange rates and the short to medium term outlook for the UK economy. There is a risk that this uncertainty could reduce demand for overseas holidays in the Group's UK source market and adversely impact on the financial performance of the Group
- **Profitability of the Company's subsidiaries and dividends received.** Dividends received from the Company's subsidiaries are variable and the timing and amount of each dividend is dependent upon the long-term success and profitability of each subsidiary. Since the majority of the Company's profits are generated by dividends received from its subsidiaries, the Company's profitability from one year to another can therefore vary significantly.
- **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

M R Prior
Director



Company Number 1734244

Dated 24 April 2018

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

M R Prior

Directors' insurance

Throughout the financial year until 15 June 2017, the previous ultimate parent company, TUI AG, maintained Directors' and Officers' Liability insurance policies on behalf of the Directors of the Company. From 15 June 2017 up until the signing of these financial statements, Travelopia Holdings Limited maintained this insurance 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 2017, 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 financial statement 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.

The directors 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

M R Prior
Director



Company Number 1734244

Dated 24 April 2018

Crown Holidays Limited

Statement of total comprehensive income for the year ended 30 September 2017

		Year ended 30 September 2017	Year ended 30 September 2016
	Note	£'000	£'000
Administrative expenses		<u>(12)</u>	<u>280</u>
(Loss)/profit on ordinary activities before taxation	6	(12)	280
Tax credit/(expense)	8	<u>61</u>	<u>(56)</u>
Profit for the financial year		49	224
Total comprehensive income for the year		<u>49</u>	<u>224</u>

Crown Holidays Limited
Balance sheet as at 30 September 2017

		30 September 2016 £'000	30 September 2016 £'000
	Note		
Non-current assets			
Investments	9	2,926	2,926
		<u>2,926</u>	<u>2,926</u>
Current assets			
Trade and other receivables	10	13,893	14,011
Income tax – group relief recoverable		7	-
Cash and cash equivalents		4	69
		<u>13,904</u>	<u>14,080</u>
Total assets		<u>16,830</u>	<u>17,006</u>
Current liabilities			
Trade and other payables	11	(154)	(327)
Income tax – group relief payable		-	(52)
		<u>(154)</u>	<u>(379)</u>
Total liabilities		<u>(154)</u>	<u>(379)</u>
Net assets		<u>16,676</u>	<u>16,627</u>
Equity			
Called up share capital	12	11,630	11,630
Share premium account	13	399	399
Capital redemption reserve	13	864	864
Profit and loss account	13	3,783	3,734
Total equity		<u>16,676</u>	<u>16,627</u>

The notes on pages 8 to 13 form part of these financial statements.

Audit exemption statement

For the financial period ended 30 September 2017, 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 5 to 13 were approved and authorised for issue by the Board of Directors on 24 April 2018 and signed on its behalf by:

M R Prior
Director



Crown Holidays Limited
Statement of changes in equity for the year ended 30 September 2017

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2015	11,630	399	864	3,510	16,403
Total comprehensive income for the year	-	-	-	224	224
At 30 September 2016	11,630	399	864	3,734	16,627
Total comprehensive income for the year				49	49
At 30 September 2017				3,783	16,676

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 registration number is 1734244.

The principal activity of the Company continues to be that of a holding company.

On 15 June 2017, TUI AG, the former ultimate parent company, sold the Travelopia Group of companies, of which the Company is part of, to private equity firm KKR & Co L.P., which became the new ultimate controlling party.

2. Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These separate financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with the Companies Act 2006.

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 thousand pounds, unless otherwise stated.

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.

New and amended standards adopted by the Company

The following narrow scope amendments to existing standards have been endorsed by the EU and are effective in the current year:

- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets on depreciation and amortisation'. These amendments have clarified that the use of revenue-based methods to calculate the depreciation of tangible or intangible assets is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
- Amendment to IAS 27 'Separate financial statements' on the equity method of accounting. This amendment restores the option to use the equity method to account for investment in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- Annual improvements project 2014, covering IFRS 5 'Non-current assets held for sale and discontinued operations' regarding of disposals; IFRS 7 'Financial instruments: Disclosures' regarding servicing contracts; and IAS 19 'Employee benefits' regarding discount rates.

3. Summary of significant accounting policies (continued)

- Amendments to IAS 1 'Presentation of financial statements': Disclosure initiative. The amendments address the application of materiality when presenting the components of financial statements. The standard no longer prescribes a particular order of the notes so that the order of the notes may reflect the individual relevance for the company. The amendments clarify that immaterial disclosures are not required and give guidance on what additional subtotals are acceptable and how they are presented.

None of the amendments to each individual standard are considered material to the Company and hence there has been no impact on these financial statements as a result of adopting the amended standards.

Investments in subsidiaries

Investments are recognised at cost less accumulated impairment losses.

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 Group undertakings 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. If payment is expected in one year or less, they are classified as current liabilities, and if not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

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.

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.

3. Summary of significant accounting policies (continued)

Current 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.

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 14. 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:

5. Critical accounting estimates and judgements (continued)

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 subsidiaries, which in turn is dependent upon a variety of factors including prevailing economic conditions and consumer demand for that entity's products.

6. (Loss)/profit on ordinary activities before taxation

	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
(Loss)/profit before taxation is stated after crediting:		
Exceptional income	-	291

The exceptional income in 2016 was a write back of old unsettled intercompany balances.

The Company is exempt from an audit in the current financial year. The auditors' remuneration for the financial year ended 30 September 2016 was £12,000.

7. Employees and Directors

The Company had no employees in either the current year or the prior year.

Directors' remuneration

The Directors received no remuneration for their services as Directors of the Company (2016: £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 (2016: £nil). It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

8. Tax (credit)/expense

The tax (credit)/expense can be summarised as follows:

(i) Analysis of tax (credit)/expense in the year

	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
Current tax:		
Amounts (receivable)/payable from fellow subsidiaries for group relief	(2)	56
Adjustment in respect of prior year	(59)	-
Total current tax	(61)	56
Total tax (credit)/expense in the statement of total comprehensive income	(61)	56

(ii) Factors affecting the tax (credit)/expense in the year

The tax (credit)/expense for the year ended 30 September 2017 is higher than (2016: equal to) the standard rate of corporation tax in the UK of 19.5% (2016: 20.0%). The differences are shown in the table below:

8. Tax (credit)/expense (continued)

	Year ended 30 September 2017 £'000	Year ended 30 September 2016 £'000
(Loss)/profit before taxation	(12)	280
(Loss)/profit multiplied by the effective standard rate of UK corporation tax of 19.5% (2016: 20.0%)	(2)	56
Adjustment in respect of prior year	(59)	-
Total tax (credit)/expense in the statement of total comprehensive income	(61)	56

(iii) Factors affecting the future tax charge

The 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.

There are no other unrecognised deferred tax assets nor un-provided deferred tax liabilities at either 30 September 2017 or 30 September 2016.

9. Investments

Investments
in subsidiary
undertakings
£'000

Cost and net book value

At 1 October 2016 and at 30 September 2017

2,926

List of investments in subsidiaries at 30 September 2017:

Name of undertaking	Country of incorporation	Registered address	Share class	% held directly by the Company	Total % held by Group Companies
Crown Blue Line France SAS	France	Le Grand Bassin, 11400 Castlenaudary	€16.00 Ordinary shares	100	100
Crown Blue Line GmbH	Germany	Marina Wolfsbruch, Im Wolfsbruch, 16831 Kleinzerland	€1.00 Ordinary shares	100	100

The Directors believe that the book value of all existing investments is supported by the higher of underlying net assets or their recoverable value.

10. Trade and other receivables

	30 September 2017 £'000	30 September 2016 £'000
Amounts due from Group undertakings	13,893	14,011
	13,893	14,011

Amounts due from Group undertakings

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

11. Trade and other payables

	30 September 2017 £'000	30 September 2016 £'000
Amounts due to Group undertakings	148	310
Accruals and deferred income	6	17
	<u>154</u>	<u>327</u>

Amounts due to Group undertakings

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

12. Called up share capital

	30 September 2017 £'000	30 September 2016 £'000
Issued and fully paid		
23,260,911 (2016: 23,260,911) ordinary shares of £0.50 each	<u>11,630</u>	<u>11,630</u>

13. 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.
Capital redemption	Amounts transferred from share capital on redemption of issued shares.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

14. Ultimate parent company and controlling party

At 30 September 2016, the Company was controlled by TUI AG, a company registered in Berlin and Hanover (Federal Republic of Germany), which was the ultimate parent company and controlling party. From 15 June 2017, the ultimate controlling party is KKR and Co. LP on behalf of the funds under its management. The immediate parent company is Mariner International (UK) Limited.

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.