www.CRUISE.co.uk Limited

Annual report and financial statements

Registered number 01827977

For the year ended 30 November 2017

Contents

Strategic report

The directors present their strategic report for the year ended 30 November 2017.

Principal activities

The company's principal activities are operating as a leading online travel agent to the UK cruise industry and as a leading free-to-access online cruise community. It acts as a principal for packages and as an agent for cruise only holidays.

Business review

The company continued to perform well and outperform the market. Our core strategy continues to be focused on creating the UK's main cruise portal for researching cruising. This content-centric commitment enabled the company to increase its gross sales by 13% to £140,046,278 *(2016: £123,831,781)* when the UK market was flat.

Our market leading online presence attracted 18 million visitors during the year through the www.cruise.co.uk website. The website provides comprehensive information about cruising offers, access to all the global cruise operators, interactive forums and reviews, and the ability to register interest for a call back. Our personalised consultant focus enables the business to tailor its services to meet the specific needs of our clients and build relationships.

The company attracts advertising income because of its unique position within the online environment and the size of its database. This income is recognised in the turnover.

The company head office is based in Redditch, Worcestershire, during the year we opened a new technology hub in Birmingham city centre to attract bright, young and ambitious IT professionals.

Current trading and outlook

We retain our focus on maintaining our leading online presence and personalising services to our clients. This enables us to continue to increase customer satisfaction and generate higher levels of repeat business, which is leading to increased turnover.

Key performance indicators

During the period, the company maintained its focus on a number of key performance initiatives which are summarised as follows:

- Online presence

The company continued to invest in its online presence and servicing the cruise community in the UK, by controlling the www.cruise.co.uk domain. We attract circa 18 million visitors to the website each year, of which approximately 38% are unique visitors. The principal websites provide various services including online cruise guides, news portals, discussion forums, independent passenger reviews, photos and opinions and, online booking and payment options. The company provides approximately 500,000 web pages of cruise related content, all of which are free-to-access and the significant majority of which are user-generated.

- People development

We continuously invest in our people by providing planned and regular training activities. Team work and communication is actively encouraged and both individual and team performance is measured. We use internal performance scorecards and proactively share positive individual and team performances across the company. The individual score cards are further discussed in one-to-one performance development review meetings with all sales and marketing staff.

Strategic report *(continued)*

Key performance indicators *(continued)*

- Technology development

The company continued to invest in its content management system, enabling the employees to reduce the time they spent on administrative tasks and retain their focus on customer service. The company continues to review and improve its website and has developed the website to provide a better customer experience which has ultimately led to more web bookings.

The company has significantly developed its bespoke software in the year and this investment is ongoing. These costs have been capitalised in accordance with FRS 102 and are included in intangible assets as software development.

On 31st July 2017, the company acquired Kreuzfahrtberater GmbH, an online cruise travel agent based in Hamburg, Germany. The directors believe this addition to the group will enhance the continued growth, drive synergies and additional routes to market in the competitive cruise market.

The directors are confident of growth in the ensuing year as the company further strengthens its position in the market and becomes a more dominant player in the tailor made packaged holiday market.

Key Risks and Risk Mitigation

The current macroeconomic environment makes it difficult to estimate the buying power of customers in the cruise market. In line with this, the company will continue to focus on providing value for money services to customers at competitive rates.

The possible impacts of the UK's decision to leave the EU are being monitored and mitigations will be put in place as necessary but, at this stage, the directors do not believe that the ability of UK citizens to take holidays abroad within the EU will be impacted.

The most significant threat to future profitability will be the consumer's disinclination to travel following various world events, but we believe the UK consumer is becoming more resilient in this respect and there is a greater inclination to switch destination. www.Cruise.co.uk Ltd. is well placed to meet changes in demand, due to the wide range of destinations available and sold by the company.

This report was approved by the board and signed on its behalf by:

James Conlon
Director

21 March 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 November 2017.

Dividends

The company paid a dividend of £825,000 during the year *(2016: £1,400,000)*.

Directors

The directors who served during the year and subsequently were as follows:

JM Conlon
S Bacon

Political contributions

The Company made no political donations and did not incur any political expenditure during the period.

Qualifying third party indemnity provision

Throughout the year and up to the date of this report the group maintained third party indemnity insurance for the directors.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf by:

James Conlon
Director

Grosvenor House
Prospect Hill
Redditch
B97 4DL

21 March 2018

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

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 they 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 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 judgments and 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; and
- 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.

KPMG

KPMG LLP
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of www.cruise.co.uk Limited

Opinion

We have audited the financial statements of www.CRUISE.co.uk Limited ("the company") for the year ended 30 November 2017 which comprise the Profit and loss account and Other Comprehensive Income, Balance sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

Independent auditor's report to the members of www.CRUISE.co.uk Limited *(continued)*

- 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

S. Smith

Stuart Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

21 March 2018

Profit and loss account and Other Comprehensive Income
for the year ended 30 November 2017

	Note	2017 £	2016 £
Turnover	*1,2*	**51,631,448**	46,711,894
Staff costs	*5*	**(5,819,440)**	(5,611,821)
Other operating charges (*incl. exceptional items - £172,145, 2016: Nil*)	*9*	**(40,808,385)**	(35,728,828)
Depreciation and amortisation	*11,12*	**(495,931)**	(401,106)
Operating profit	*3*	**4,507,692**	4,970,139
Interest receivable and similar charges	*7*	**7,395**	28,393
Interest payable and similar charges	*8*	**(21,033)**	(14,934)
Loss on disposal of fixed assets	*12*	**-**	(5,674)
Profit before taxation		**4,494,054**	4,977,924
Tax on profit	*10*	**(273,112)**	(742,901)
Profit after taxation		**4,220,942**	4,235,023

All amounts relate to continuing operations.

The accompanying notes on pages 10 to 23 form part of these financial statements.

Balance sheet

as at 30 November 2017

	Note	**2017**		2016	
		£	**£**	£	£
Fixed assets					
Investments	*13*	**2,000**		-	
Intangible assets	*11*	**359,429**		303,064	
Tangible fixed assets	*12*	**280,505**		105,655	
			641,934		408,719
Current assets					
Debtors (including £3,187,450 due after more than one year (*2016: £3,015,189)*)	*14*	**51,175,319**		39,763,378	
Cash	*15*	**13,113,162**		10,843,488	
		64,288,481		50,606,866	
Creditors: amounts falling due within one year	*16*	**(48,728,266)**		(38,504,163)	
Net current assets			**15,560,215**		12,102,703
Total assets less current liabilities			**16,202,149**		12,511,422
Creditors: amounts falling due after more than one year	*17*		**(4,504,762)**		(4,252,891)
Provisions for liabilities					
Other provisions	*20*		**(216,831)**		(173,917)
Net assets			**11,480,556**		8,084,614
Capital and reserves					
Called up ordinary share capital	*21*		**48,523**		48,523
Preference shares	*21*		**500,000**		500,000
Ordinary share premium account			**116,269**		116,269
Profit and loss account			**10,815,764**		7,419,822
Equity shareholders' funds			**11,480,556**		8,084,614

The financial statements on pages 7 to 23 were approved by the board of directors on 21 March 2018 and were signed on its behalf by:

James Conlon
Director

Company number: 01827977

Statement of Changes in Equity

	Ordinary Share capital	Ordinary Share premium	Preference share capital	Profit & loss account	Total equity
	£		£	£	£
Balance at 1 December 2015	48,523	116,269	500,000	4,584,799	5,249,591
Total comprehensive income for the period					
Profit or loss	-	-	-	4,235,023	4,235,023
Total comprehensive income for the period	-	-	-	4,235,023	4,235,023
Transactions with owners, recorded directly in equity					
Dividends paid	-	-	-	(1,400,000)	(1,400,000)
Total contributions by and distributions to owners	-	-	-	(1,400,000)	(1,400,000)
Balance at 30 November and 1 December 2016	**48,523**	**116,269**	**500,000**	**7,419,822**	**8,084,614**
Total comprehensive income for the period					
Profit or loss	-	-	-	4,220,942	4,220,942
Total comprehensive income for the period	-	-	-	4,220,942	4,220,942
Transactions with owners, recorded directly in equity					
Dividends paid	-	-	-	(825,000)	(825,000)
Total contributions by and distributions to owners	-	-	-	(825,000)	(825,000)
Balance at 30 November 2017	**48,523**	**116,269**	**500,000**	**10,815,764**	**11,480,556**

Notes

(forming part of the financial statements)

1 Accounting policies

www.CRUISE.co.uk Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK, registration number 01827977. The registered office is Grosvenor House, Prospect Hill, Redditch, B97 4DL.

The Company is exempt by virtue of Section 400 of 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 financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company's parent undertaking, CRUISE.CO (Holdings) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of CRUISE.CO (Holdings) Limited are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis and in accordance with applicable Accounting Standards.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have reviewed the company cash flow forecast. The directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

1.3 Foreign currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each asset. The estimated useful lives are as follows:

- fixtures, fittings and equipment *3-5 years*

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7 Intangible assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

- Domain name purchases *5 years*
- Software development (staff) costs *3 years*

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.10 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Taxation (continued)

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.12 Turnover

Turnover recognised is the aggregate amount of commission and similar earnings receivable in respect of travel agency activities, gross revenue derived from tour operations carried out as a principal activity, a provision for the margin lost on bookings cancelled before payment of the balance and advertising income.

Notes *(continued)*

2 Turnover

Turnover is the aggregate amount of commission and similar earnings receivable in respect of travel agency activities, gross revenue derived from tour operations carried out as a principal activity, a provision for the margin lost on bookings cancelled before payment of the balance and advertising income.

The business attracts advertising income because of its unique position within the online environment and the size of its database. This income is recognised in the turnover and gross turnover figures.

All turnover arose within the United Kingdom and is recognised together with related costs at the date of the customer booking. The total sales value of all bookings is shown in the table below:

	2017	2016
	£	£
Gross turnover including advertising income	**140,046,278**	123,831,781
Reported Turnover including advertising income	**51,631,448**	46,711,894

3 Operating profit

	2017	2016
	£	£
Operating profit is stated after charging		
Amortisation of intangible fixed assets	**334,562**	322,317
Depreciation of tangible fixed assets:		
Owned	**161,369**	78,789
Other operating leases:		
Buildings	**81,550**	66,550

4 Auditor's remuneration

	2017	2016
	£	£
Audit of these financial statements	**27,295**	26,550
Amounts receivable by the company's auditor in respect of:		
Taxation compliance services	**5,000**	5,000

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Management and administration	**71**	55
Sales	**162**	147
	233	202

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**5,119,809**	4,886,397
Social security costs	**530,726**	560,044
Other pension costs	**168,905**	165,380
	5,819,440	5,611,821

6 Directors' remuneration

	2017	2016
	£	£
Emoluments	**483,914**	615,565
Company pension contributions to money purchase pension schemes	**27,083**	34,421

During the year, retirement benefits were accruing to two directors *(2016:one)* in respect of money purchase pension schemes.

The highest paid director received remuneration of £274,704 *(2016: £254,017)*.

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £17,000 *(2016: £15,004)*.

7 Interest receivable and similar income

	2017	2016
	£	£
Bank and other interest receivable	**7,395**	28,393

Notes *(continued)*

8 Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	**396**	147
Foreign exchange losses	**20,637**	14,787
Total interest payable and similar charges	**21,033**	14,934

9 Exceptional Costs

Exceptional costs of £172,145 relate to the write-off of intercompany loans with group companies that ceased to trade during the year. £91,251 in relation to Travel Bookers Limited and £80,894 in relation to Cruisedotco PTY Limited.

10 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017	2016
	£000	£000
Current tax		
Current tax on income for the year	**376,678**	731,546
Adjustments in respect of prior periods	**(110,827)**	274
Total current tax	**265,851**	731,820
Deferred tax (see note 19)		
Origination and reversal of timing differences	**13,060**	11,275
Adjustments in respect of prior periods	**(5,799)**	(194)
Total deferred tax	**7,261**	11,081
Total tax	**273,112**	742,901

Notes *(continued)*

Reconciliation of effective tax rate

	2017	2016
	£	£
Profit on ordinary activities before taxation	**4,494,054**	4,977,924
Tax using the UK corporation tax rate of 19.3% *(2016: 20%)*	**868,768**	995,585
Effects of:		
Non-deductible expenses	**13,757**	31,694
Adjustments in respect of prior periods	**(116,626)**	80
Ineligible depreciation	**1,431**	141
Reduction in tax rate on deferred tax balances	**(1,791)**	715
Group relief claimed	**(492,427)**	(285,314)
Total tax expense included in profit or loss	**273,112**	742,901

Factors that may affect future tax charges
A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. Further reductions to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 November 2017 has been calculated based on these rates.

11 Intangible assets

	Domain Names	Software Development	Total
	£	£	£
Cost			
At beginning of year	638,188	934,348	1,572,536
Additions	-	390,927	390,927
Disposals	-	-	-
At end of year	638,188	1,325,275	1,963,463
Amortisation			
At beginning of year	638,188	631,284	1,269,472
Charge for the year	-	334,562	334,562
Disposals	-	-	-
At end of year	638,188	965,846	1,604,034
Net book value			
At 30 November 2017	-	**359,429**	**359,429**
At 30 November 2016	-	303,064	303,064

Notes *(continued)*

12 Tangible fixed assets

	Furniture, fittings & equipment £
Cost	
At beginning of year	393,633
Additions	336,219
Disposals	-
At end of the year	729,852
Amortisation	
At beginning of year	287,978
Charge for the period	161,369
Disposals	-
At end of the period	449,347
Net book value	
At 30 November 2017	**280,505**
At 30 November 2016	105,655

13 Fixed asset investments

Acquisitions in the current period
On 7 November 2017, the Company acquired all of the shares of a newly incorporated entity www.cruise.co.uk Transport Limited for £2,000. The company's primary activity is to provide transport services to www.cruise.co.uk Limited on a B2B basis.

	Shares in group undertakings £
Cost and net book value	
Additions in the year and balance at end of the period	2,000

Notes *(continued)*

13 Fixed asset investments *(continued)*

The company holds the following investments:

Name	Country of incorporation	No of £1 ordinary shares	Proportion held	Principal activity
Cruise.co.uk Limited	England and Wales	1	100%	Dormant
Cruises.co.uk Limited	England and Wales	1	100%	Dormant
www.cruises.co.uk Limited	England and Wales	1	100%	Dormant
Victoria Cruises Limited	England and Wales	50,000	100%	Dormant
1 Stop Cruise Shop Limited	England and Wales	1	100%	Dormant
All Cruises Limited	England and Wales	1	100%	Dormant
Cruisereaderoffers.co.uk Limited	England and Wales	1	100%	Dormant
Victoria Travel Services Limited	England and Wales	1	100%	Dormant
Reader Offer Cruises Limited	England and Wales	1	100%	Dormant
Reader Offer Holidays Limited	England and Wales	1	100%	Dormant
www.cruise.co.uk Transport Limited	England and Wales	2,000	100%	Agency

The registered office for the Companies listed above is Grosvenor House, Prospect Hill, Redditch, B97 4DL.

14 Debtors

	2017	2016
	£	£
Other debtors (see note 17)	**46,386,668**	37,150,227
Amount due from group undertakings	**2,410,379**	532,968
Trade debtors	**714,243**	672,925
Prepayments and accrued income	**1,507,319**	1,377,162
Corporation Tax	**133,875**	-
Deferred tax asset (see note 19)	**22,835**	30,096
	51,175,319	39,763,378

Amounts due from group undertakings are non-interest bearing and payable on demand.

Other debtors of £46,386,668 *(2016: £37,150,227)* are amounts due from clients in respect of cruise bookings (*see note 17*).

Other debtors are receivable as follows:

	2017	2016
	£	£
Due in less than one year	**43,199,218**	34,135,038
Due in more than one year	**3,187,450**	3,015,189
Other Debtors	**46,386,668**	37,150,227

Notes *(continued)*

15 Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**13,113,162**	10,843,488

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Other creditors	**47,919,606**	37,375,712
Trade creditors	**195,729**	160,590
Social security and other taxes	**337,593**	118,971
Accruals and deferred income	**275,338**	517,070
Corporation tax	-	331,820
	48,728,266	38,504,163

17 Creditors: amounts falling due in more than one year

	2017 £	2016 £
Other creditors	**4,504,762**	4,252,891

Other creditors total £52,424,368 *(2016: £41,628,603)*, and represent amounts due to the cruise lines. Of this amount, £46,386,668 *(2016: £37,150,227)* will be received from clients in respect of cruise bookings (shown as other debtors in note 14).

18 Financial instruments

	2017 £	2016 £
Financial assets		
Assets measured at amortised cost	**63,404,640**	50,404,193
Financial liabilities		
Liabilities measured at amortised cost	**53,449,859**	42,930,971

Financial assets measured at amortised cost comprise of debtors and cash but exclude taxation debtors and prepayments.

Financial liabilities measured at amortised cost comprise cancelation provisions, trade, tax and other creditors, accruals and debt instruments.

Notes *(continued)*

19 Deferred tax asset

	2017 £
At beginning of year	**(30,096)**
Charge to profit and loss	**7,261**
At end of year	**(22,835)**

The deferred tax asset is made up as follows:

	2017 £	2016 £
Difference between accumulated depreciation, amortisation and capital allowances	**16,306**	2,203
Other timing differences	**(39,141)**	(32,299)
At end of year	**(22,835)**	(30,096)

20 Provisions

	Cancelation provision £
Balance at 1 December 2016	173,917
Charge to the Income Statement	42,914
Balance at 30 November 2017	**216,831**

21 Called up share capital and reserves

	2017 £	2016 £
Authorised, allotted and called up:		
Ordinary shares of £1 each	**48,523**	48,523
Preference shares of £1 each	**500,000**	500,000
	548,523	548,523

Both classes of shares have equal voting rights and rank for dividends. Neither class of shares has a fixed right to a dividend.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Notes *(continued)*

22 Capital commitments

At 30 November 2017, the company had no capital commitments *(2016: £Nil)*.

23 Employee benefits

The company contributes to personal pension plans of certain employees (defined contribution). The assets of the schemes are held separately from those of the company. The pension cost charge represents contributions payable by the company and amounted to £168,905 *(2016: £165,380)*. Contributions totalling £17,665 *(2016: £17,494)* were payable at the balance sheet date and are included within creditors.

24 Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	£	£
Less than one year	**102,550**	66,550
Between one and five years	**125,642**	144,192
	228,192	210,742

During the year £81,550 was recognised as an expense in the profit and loss account in respect of operating leases *(2016: £66,550)*.

25 Related party transactions

There were no related party transactions during the year *(2016: £Nil)*.

26 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Victoria Travel Group Limited, a company registered in England and Wales.

The ultimate parent undertaking is BDC Topco 71 Limited, a company registered in England and Wales.

Copies of the parent's financial statements can be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The ultimate controlling party is Bridgepoint Development Capital.

27 Accounting estimates and judgements

Cancelation provision
As set out in note 2 and note 20 the directors are required to create a provision for their estimate of the margin lost on bookings cancelled before payment of the balance.

Creditors and accruals
Because of the nature of the industry, some bookings sold may incur costs for elements that are not yet bookable by the company (e.g. out of range flights or hotels). In these instances, accruals for costs are established.

Preference shares
The directors are required to apply judgement in determining whether preference shares should be classed as equity or debt. According to the features of the preference shares and in accordance with the accounting policy set out in note 1.4, they are classed as equity. Returns on the preference shares are therefore classed as dividends.