

**ACROMAS SHIPPING LIMITED**

**STRATEGIC REPORT, DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**31 JANUARY 2014**

TUESDAY



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## ACROMAS SHIPPING LIMITED

### Strategic Report

#### Review of Business Developments and principal activity

The Company's principal activity is the chartering and operation of cruise ships. During the year the Company operated three cruise ships – Saga Pearl II (formerly known as the Quest for Adventure), Saga Ruby and Saga Sapphire, which were chartered from its subsidiary undertakings Enbrook Cruises Limited, Saga Cruises Limited and Saga Cruises IV Limited respectively.

The Saga Ruby sailed its last cruise in December 2013 after which it was sold in January 2014.

The Company's key financial and other performance indicators during the year were as follows:

	2014 £'000	2013 £'000	change %
Turnover	109,584	101,712	7.7
Gross profit (excluding exceptional items)	11,139	5,653	97.0
Gross margin (excluding exceptional items)	10.2%	5.6%	4.6pts
Administrative and marketing expenses	(9,470)	(14,017)	32.4
Loss before taxation	<u>(141)</u>	<u>(16,920)</u>	99.2
Adjusted EBITDA (excluding exceptional items)	<u>1,373</u>	<u>(8,364)</u>	116.4
Average number of employees	<u>33</u>	<u>39</u>	(15.4)

Turnover for the year to 31 January 2014 was £109,584,000, an increase of 7.7% on the previous year. All turnover arose from the Company's principal activity.

The average monthly number of employees has decreased 15.4% from the previous year and staff costs have fallen 4.9%. Gross profit has increased by 421.4% to a profit of £9,329,000, and gross margin has increased 11.3% points to 8.5%. Administrative and marketing expenses have decreased 32.4% to £9,470,000, as a result of decreased marketing spend.

For decision making and internal performance management, management's key performance metric is Earnings before interest, tax, depreciation and amortisation which is adjusted to exclude exceptional items (Adjusted EBITDA). Adjusted EBITDA for the year was £1,373,000, up 116.4% on the previous year.

The loss before taxation for the year amounts to £141,000 (2013 – loss of £16,920,000). After taxation, a loss of £127,000 (2013 – loss of £12,816,000) has been transferred to reserves. No dividends have been paid in the year (2013 - £nil).

**ACROMAS SHIPPING LIMITED**  
**Strategic report (continued)**

**Principal Risks And Uncertainties**

The Company follows a structured risk identification and assessment process that involves all of its Directors and which is updated on an ongoing basis.

The principal risks facing the Company have been grouped under the following three headings:

*1. Legislative Risks*

The three cruise ships operated by the Company have to comply with maritime regulations and ensure that regulatory changes are responded to.

A failure to comply with these regulations could cause the Company to incur fines or be prevented from trading.

*2. Operational Risks*

The cruise ships operated by the Company operate internationally throughout the year and are at risk of damage through collision, fire, grounding or extreme weather conditions. Customers' safety and health are of primary importance in the event of these risks occurring. Additionally the risk of the ships causing environmental damage by pollution is also a key concern. If these risks were to crystallise, the cost of repairs and repatriation would adversely affect future profits, and if not managed appropriately, damage the Company brand.

*3. Market Risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to commodity price risk. Financial instruments affected by market risk include fuel swaps.

In order to manage these risks, the Company has put in place rigorous procedures and controls designed to prevent these risks occurring or, where this is not possible, to mitigate their effects.

These controls are monitored by the Group Internal Audit function to ensure they are working effectively.

**Future Developments**

The Directors intend to continue to expand and refresh the range of cruise itineraries offered to the Company's customers.

**ACROMAS SHIPPING LIMITED**  
**Strategic report (continued)**

**Policy on use of financial instruments**

The Company enters into derivative transactions (commodity swaps). The purpose is to manage the commodity risks arising from the Company's operations. The board sets policies for managing these risks and these policies are summarised at accounting policy 1(i) below.

The Company is exposed to the market price of fuel relating to the consumption of fuel on the Company's cruise ships. The Company uses fuel swap agreements, and occasionally caps, to mitigate this exposure. The agreements hedge all the anticipated fuel requirements of the Company and are transacted to coincide with committed itineraries.

By order of the Board



V Haynes  
Secretary  
12 August 2014

## **ACROMAS SHIPPING LIMITED**

### **Directors' report**

Directors:	A J P Strong	(appointed 1 December 2013)
	S M Hooper	(resigned 29 November 2013)
	P R Shaw	
	T Allan	
	J Duguid	(resigned 5 December 2013)
	R Furlong	
	G Laversuch	(resigned 5 April 2013)
	R G Meikle	(appointed 5 December 2013)

Secretary:	V Haynes	(appointed 31 July 2013)
	A P Stringer	(resigned 31 July 2013)

Registered Office: Enbrook Park, Folkestone, Kent CT20 3SE

Company Registration no: 3267858

The Directors submit their report together with the audited financial statements for the year ended 31 January 2014.

### **Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

## **ACROMAS SHIPPING LIMITED**

### **Directors' report (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.

It is the Group's policy to maintain indemnity insurance for Directors and officers.

### **Disclosure of information to the auditors**

Each current Director has made enquiries of their fellow directors and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Relevant audit information is that information needed by the auditor in connection with preparing the report. So far as each director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware.

### **Auditors**

In accordance with section 487(2) of the Companies Act 2006, the Auditors Ernst & Young LLP are deemed re-appointed.

By order of the Board



V Haynes  
Secretary  
12 August 2014

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACROMAS SHIPPING LIMITED**

We have audited the financial statements of Acromas Shipping Limited for the year ended 31 January 2014, which comprise the Profit and Loss Account, the Reconciliation of movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities as set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report, Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

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

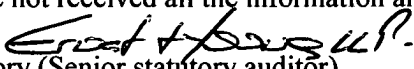
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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

  
Benjamin Gregory (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

12 August 2014

**ACROMAS SHIPPING LIMITED****Profit and loss account for the year ended 31 January 2014**

	Notes	2014 £'000	2013 £'000
<b>Turnover</b>	2	109,584	101,712
Cost of sales		(98,445)	(96,059)
Cost of sales – exceptional items	3	(1,810)	(8,556)
<b>Gross profit / (loss)</b>		<u>9,329</u>	<u>(2,903)</u>
Administrative and marketing expenses		(9,470)	(14,017)
<b>Loss on ordinary activities before taxation</b>	3	<u>(141)</u>	<u>(16,920)</u>
Taxation	7	14	4,104
<b>Loss on ordinary activities after taxation</b>	15	<u>(127)</u>	<u>(12,816)</u>

All income and expenditure arises from continuing operations. The Saga Ruby sailed its last cruise in December 2013 after which it was sold in January 2014.

There were no recognised gains or losses other than the amounts included above.

**Reconciliation of movements in shareholders' funds**

	2014 £'000	2013 £'000
Total recognised losses or gains relating to the year	(127)	(12,816)
Net movement in shareholders' funds	(127)	(12,816)
Shareholders' funds brought forward	9,713	22,529
Shareholders' funds carried forward	<u>9,586</u>	<u>9,713</u>

Notes 1 to 20 form an integral part of these financial statements.



**ACROMAS SHIPPING LIMITED**  
**Balance sheet as at 31 January 2014**

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible Assets	8	-	103
Investment in subsidiary undertakings	9	-	-
		<u>-</u>	<u>103</u>
<b>Current Assets</b>			
Stocks	10	4,356	5,865
Debtors	11	44,948	53,371
Cash at bank and in hand		604	1,572
		<u>49,908</u>	<u>60,808</u>
<b>Creditors - amounts falling due within one year</b>	12	(40,322)	(51,198)
<b>Net current assets</b>		<u>9,586</u>	<u>9,610</u>
		<u>9,586</u>	<u>9,713</u>
<b>Total assets less current liabilities</b>		<u>9,586</u>	<u>9,713</u>
<b>Capital and reserves</b>			
Called-up share capital	14	7,000	7,000
Profit and loss account	15	2,586	2,713
<b>Shareholders' funds</b>		<u>9,586</u>	<u>9,713</u>

Signed for and on behalf of the Board by



P R Shaw  
 Director  
 12 August 2014

Notes 1 to 20 form an integral part of these financial statements.

# **ACROMAS SHIPPING LIMITED**

## **Notes to the financial statements**

### **1. Accounting policies**

#### **a) Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined in the Companies Act 2006 s.464.

The Company has taken advantage of the exemption under the Companies Act 2006 s.400 not to prepare and deliver group financial statements as it is a wholly owned subsidiary of the ultimate parent company Acromas Holdings Limited. As such, these financial statements show only the results of the individual company and not the group.

Investments in subsidiaries are accounted for at the lower of cost and net realisable value.

#### **b) Turnover**

Turnover from cruising is recognised as earned, on a daily basis.

#### **c) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. The cost of fixed assets less their expected residual value is depreciated by equal instalments over their useful economic lives. These lives are as follows:

Computer software	3 years
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The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### **d) Stocks**

Stocks are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

#### **e) Advance receipts**

All booking fees and balance payments for cruises with starting dates after the year end are treated as receipts in advance at the balance sheet date and are separately disclosed within creditors.

#### **f) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

**1. Accounting policies (continued)**

**g) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

**h) Pension benefits**

Annual contributions are made to the UK defined benefit pension Scheme on the advice of actuaries for funding of retirement benefits in order to build up reserves for participating employees during the employee's working life to pay to the employee or dependent a pension after retirement.

The Company is one of a number of Saga companies participating in the Scheme, and its contributions are affected by the financial position of the Scheme as a whole. As it is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company accounts for its pension expense on a defined contribution basis in accordance with FRS 17 (Retirement benefits). The costs of providing these benefits are charged to the profit and loss account on a regular basis. Amounts charged to operating profit represent the contributions payable to the scheme in the year.

**i) Derivative instruments**

The Company is exposed to the market price of fuel relating to the consumption of fuel on the Company's and its subsidiaries' cruise ships. The Company uses fuel swap agreements, and occasionally caps, to mitigate this exposure. The agreements hedge all the anticipated fuel requirements of the Company and are transacted to coincide with committed itineraries. The cost of fuel purchases are recorded at the hedged rate with any profit or loss from mismatches recognised as incurred.

**j) Operating leases**

Rentals in respect of operating leases are charged to profit on a straight line basis over the lease term.

**k) Cash flow statement**

The Directors have taken advantage of the exemption available under FRS 1 (Cash flow statements) of the requirement to prepare a cash flow statement as a consolidated cash flow statement has been presented in the financial statements of the ultimate parent undertaking, Acromas Holdings Limited.

**l) Provisions for liabilities**

A provision is recognised 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. Provision is made on a discounted basis where the time value of money is expected to be material.

**m) Marketing expenditure**

Expenditure on holiday brochures is expensed to the profit and loss account as incurred.

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

**1. Accounting policies (continued)**

**n) Exceptional items**

Items which derive from events or transactions that fall outside of the ordinary activities of the Company and which are material, or if of a similar type are material in aggregate, are treated as exceptional. Exceptional items are charged or credited to the profit and loss account as appropriate and are separately reported on the face of the profit and loss account.

**2. Turnover**

Turnover comprises sales to third parties for cruising. Turnover is stated net of VAT. All business is carried out in the UK.

<b>3. Loss on ordinary activities before taxation</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before taxation is stated after charging:		
Depreciation - software	68	-
Cost of sales - exceptional items: cruise cancellation	1,810	8,556
Operating lease rentals – plant and machinery	13,845	9,713
Auditors' remuneration - audit of financial statements	40	36

Cost of sales exceptional items in the current and prior year relate to reimbursements, compensation payments and costs (net of insurance claims) relating to the cancellation of cruises as a result of technical problems during the year. Exceptional items in the prior year also related to curtailments following refit delays.

Any fees paid to the Company's auditor, Ernst & Young LLP, for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the ultimate parent undertaking, Acromas Holdings Limited, are required to disclose non-audit fees on a consolidated basis.

The Company has borne the fees for the audit of its following subsidiaries: Saga Cruises Limited, Saga Cruises IV Limited and Enbrook Cruises Limited.

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

**4. Directors remuneration**

The remuneration of the Directors of the Company during the year were as follows:

	2014 £'000	2013 £'000
Aggregate remuneration in respect of qualifying services	<u>214</u>	<u>230</u>
Members of defined benefit pension scheme	<u>6</u>	<u>6</u>

The Directors remuneration shown above relate to J Duguid, R Furlong, T Allan, R G Meikle, G Laversuch and for the previous financial year D Evans. Whilst J Duguid holds, and G Laversuch held, directorships in other group companies, the full amount of their remuneration are included above as it would not be practicable to apportion their remuneration between their services as Directors of the Company and their services as Directors of other group companies.

R Shaw and A J P Strong are, and S M Hooper, was remunerated by Acromas Holidays Limited. Saga Group Limited and Acromas Holidays Limited are both fellow subsidiaries of the ultimate holding company, Acromas Holdings Limited. These Directors did not receive any remuneration during the year in respect of their services as a Director of the Company (2013: £nil) and it would not be practicable to apportion their remuneration between their services as Directors of the Company and their services as Directors of other group companies. The total remuneration in respect of these directors borne is £457,000 (2013: £384,000). The Company has not been recharged any amount for the remuneration of these Directors.

The amounts in respect of the highest paid Director were as follows:

	2014 £'000	2013 £'000
Aggregate remuneration in respect of qualifying services	<u>91</u>	<u>74</u>
Defined benefit pension scheme:	2014 £'000	2013 £'000
Accrued pension at end of year	<u>24</u>	<u>22</u>

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

<b>5. Staff costs</b>	2014	2013
	£'000	£'000
Wages and salaries	1,088	1,140
Social security costs	92	97
Pension costs	101	110
	<u>1,281</u>	<u>1,347</u>

The monthly average number of employees during the year was as follows:-	2014	2013
	No.	No.
Operations	28	34
Administration and management	5	5
	<u>33</u>	<u>39</u>

**6. Pension benefits**

The Company is a member of the Saga Pension Scheme which is a defined benefit scheme.

The Company is one of a number of Saga companies participating in the Scheme, and its contributions are affected by the financial position of the Scheme as a whole. As it is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis, the Company is accounting for its pension expense on a defined contribution basis in accordance with FRS 17 (Retirement benefits). The FRS 17 deficit (gross of deferred taxation) of the Scheme at 31 January 2014 was £14.9m (2013 - £nil).

Further details of the Scheme can be found in the financial statements of the ultimate holding company, Acromas Holdings Limited.

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

<b>7. Taxation</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
UK corporation tax at 23.16% (2013 – 24.33%) – current year	2	(4,073)
Current tax	2	(4,073)
Deferred tax – Origination and reversal of timing differences	(29)	(37)
Deferred tax – Effect of tax rate change on opening balance	13	6
	<u>(14)</u>	<u>(4,104)</u>
 <b>Reconciliation of Current Tax Charge:-</b>	 <b>2014</b>	 <b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Pre-tax loss at 23.16% (2013 – 24.33%)	(33)	(4,117)
Expenses not deductible for tax purposes	1	5
Depreciation in excess of capital allowances	34	39
Current tax charge/(credit) for the year	<u>2</u>	<u>(4,073)</u>

The corporation tax credit for the prior year is principally made up of payments from other group companies for group relief.

<b>8. Tangible fixed assets</b>	<b>Software</b>
<b>Cost</b>	<b>£'000</b>
As at 1 February 2013	103
Reversal	<u>(35)</u>
At 31 January 2014	<u>68</u>
 <b>Depreciation</b>	
As at 1 February 2013	-
Charge for the year	<u>68</u>
At 31 January 2014	<u>68</u>
 <b>Net book amount</b>	
At 31 January 2014	<u>-</u>
 At 31 January 2013	<u>103</u>

Reversal relates to an over-accrual from the prior year.

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

**9. Investment in subsidiary undertaking**

	2014	2013
Cost	£	£
At 31 January	<u>104</u>	<u>104</u>

The subsidiary undertakings of the Company, all of which are wholly owned and registered in England, are Saga Cruises Limited, Saga Cruises II Limited, Saga Cruises III Limited, Saga Cruises IV Limited and Enbrook Cruises Limited. The principal activity of Saga Cruises Limited and Enbrook Cruises is, and for Saga Cruises II Limited and Saga Cruises IV Limited was, the chartering of cruise ships to the Company. Saga Cruises disposed of the Saga Ruby in January 2014.

**10. Stocks**

	2014	2013
	£'000	£'000
Fuel and oil	694	1,636
Technical stocks	2,306	2,341
Passenger and crew food stocks	703	998
Bar and other sundry stocks	653	890
	<u>4,356</u>	<u>5,865</u>

**11. Debtors**

	2014	2013
	£'000	£'000
Amount owed by group undertaking	40,897	45,524
Other debtors	3,418	6,966
Prepayments	515	779
Deferred taxation	118	102
	<u>44,948</u>	<u>53,371</u>

Deferred taxation comprises an excess of depreciation over capital allowances of £118,000 (2013 - £102,000).

Finance Act 2012 reduced the main rate of corporation tax from 26% to 24% with effect from 1 April 2012, and further reduced it from 24% to 23% with effect from 1 April 2013. As this reduction was substantively enacted on 3 July 2012, the deferred tax balance at 31 January 2013 was stated at 23%.

A further reduction from 23% to 21% took effect on 1 April 2014, and a final reduction to 20% has been enacted in the Finance Act 2013 to take effect from 1 April 2015. As a result, the deferred tax balance at 31 January 2014 has been stated at 20%.

All amounts above are due in less than one year, except for deferred tax and an amount of £nil included within other debtors (2013 - £1,910,000).



**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

<b>12. Creditors - amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Advance receipts	24,303	32,174
Trade creditors	8,832	12,861
Other creditors	45	14
Corporation tax payable	-	845
Accruals and deferred income	7,142	5,304
	<u>40,322</u>	<u>51,198</u>

**13. Lease commitments**

The annual commitment under non-cancellable plant and machinery operating leases is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Leases expiring:		
Within one year	8,760	13,505
In two to five years	193	284
	<u>8,953</u>	<u>13,789</u>

<b>14. Called up share capital</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
7,000,000 ordinary shares of £1 each	7,000	7,000
	<u>7,000</u>	<u>7,000</u>

<b>15. Profit and loss account</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
At 1 February	2,713	15,529
Retained loss for the year	(127)	(12,816)
At 31 January	<u>2,586</u>	<u>2,713</u>

**16. Derivatives**

The fair value of fuel swaps as at 31 January 2014 is a net liability of £867,000 (2013 - £466,000 net asset). These swaps are held to hedge the price risk on fuel.

**ACROMAS SHIPPING LIMITED**  
**Notes to the financial statements (continued)**

**17. Related party transactions**

The Company has taken advantage of the exemption within FRS 8 (Related party disclosures) in not disclosing transactions with other entities in the Acromas group of companies.

**18. Ultimate parent undertaking**

The financial statements of the company should be consolidated in the group financial statements of Acromas Holidays Limited (a parent undertaking) and Acromas Holdings Limited (the ultimate parent undertaking), both of which are registered in England and Wales.

Acromas Holidays Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

The Company is wholly owned by Acromas Holidays Limited.

**19. Ultimate controlling party**

The Directors consider the ultimate controlling party to be funds advised by Charterhouse General Partners, CVC Capital Partners and Permira Advisers acting in concert.

**20. Post balance sheet event**

On 29 May 2014, Saga Plc, an intermediate parent undertaking and the ultimate parent undertaking for the Saga group, was admitted to the London Stock Exchange.