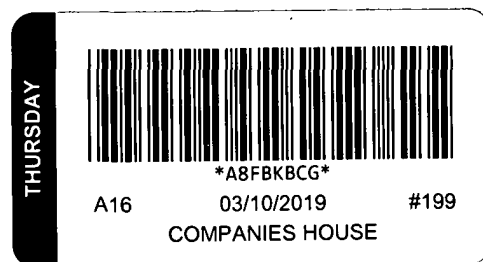


DESTINOLOGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 JANUARY 2019



DESTINOLOGY LIMITED

Company information

Directors: P R Shaw
D L Windle
A C Donald (resigned 17 August 2018)
S A Jenkins (appointed 6 November 2018)

Secretary: V Haynes

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

Company Registration no: 04293908

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

DESTINOLOGY LIMITED

The Directors submit the Annual Report and the audited Financial Statements of Destinology Limited (the "Company") for the year ended 31 January 2019.

Strategic Report

Review of Business Developments and Principal Activity

The principal activity of the Company is to provide holidays and travel services to clients in the United Kingdom.

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

	2019	2018	Change
	£000	(restated) £000	
Turnover	58,153	59,155	(1.7%)
Gross profit	9,002	8,688	3.6%
Gross margin	15.5%	14.7%	0.8ppt
Profit before taxation	<u>1,239</u>	<u>290</u>	
Average number of employees	<u>117</u>	<u>135</u>	

Turnover for the year to 31 January 2019, which all arose from the Company's principal activity, was £58,153,000 (2018: £59,155,000) down 1.7% on the previous period.

Gross profit has increased by 3.6% to £9,002,000 and gross margin has increased 0.8 points to 15.5% (2018: 14.7%).

For decision making and internal performance management, management's key performance metric is Underlying Profit Before Tax. Underlying Profit Before Tax represents profit before tax from continuing operations excluding unrealised fair value gains or losses on derivatives. Underlying Profit Before Tax for the year was £970,000 up 118.5% on the previous year.

The Profit before taxation for the year amounts to £1,239,000 (2018: £290,000). After taxation, a profit of £994,000 (2018: £484,000) has been taken to reserves. No ordinary dividends have been paid in the year (2018: £228,000).

DESTINOLOGY 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 four headings:

Legislative Risks

The Company has to comply with the European Economic Community Package Travel Regulations, and comply with the regulations of the Civil Aviation Authority ("CAA") in order to trade as a tour operator.

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

Operational Risks

The Company provides holidays where the components of the holiday are exposed to the potential of financial failure, strike actions, extreme weather conditions or other factors causing the hotel, airline or boat operator being unable to provide their service.

The company's operations are dependent on the proper functioning of its IT and communication systems.

Brand Risk

The Company recognises Destinology as a quality brand, and considers it a source of competitive advantage and has in place policies and procedures to protect it at all times.

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices of foreign currency. The Company is exposed to currency risk. Financial instruments used to mitigate market risk include forward currency contracts and currency options.

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.

DESTINOLOGY LIMITED
Strategic Report (continued)

The impact of uncertainties due to the UK exiting the European Union

There is considerable uncertainty as to how – and even whether – the UK will exit from the EU, or at least as to when Brexit will take effect and on what terms. The potential impact on the Company of Brexit, have been considered. The range of scenarios considered includes the additional administration processes and costs associated with running a travel tour operating business and prolonged disruption at the Port of Dover and Eurotunnel. The impact to date has been a decline in forward bookings as Brexit uncertainty impacts consumer willingness to commit to holidays in 2019. The Company will continue to closely monitor the political developments, and adapt mitigation plans accordingly.

Future Developments

The Directors anticipate development of the business in the coming year, driven by the Company's continued focus on growth in the digital market.

Policy on use of financial instruments

The Company enters into derivative transactions (forward foreign currency contracts). The purpose of these transactions is to manage the currency risks arising from the Company's operations. The board sets the policies for managing these risks and these policies are summarised below.

The Company has transactional currency exposures that arise from purchases in currencies other than the Company's local currency. The Company uses forward currency contracts and currency options to eliminate the currency exposures on all material transactions. The forward contracts to purchase foreign currency are transacted to coincide with identified requirements so that at all times the Company has no material exposures to foreign currency risk.

Customer protection

The CAA and the ABTA regulates the business conducted by the Company in the UK. From 1st April 2008, the CAA replaced the system of lodged security bonds with the introduction of ATOL Protection Contributions, which the Company pays into the Air Travel Trust Fund.

By order of the Board

A handwritten signature in black ink, appearing to be 'S A Jenkins', written over a circular stamp or seal.

S A Jenkins
Director

24 July 2019

DESTINOLOGY LIMITED

Directors' report

The Directors submit the Directors' Report of the Company for the year ended 31 January 2019.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under the law the Directors have elected to prepare the financial statement in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

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 responsible for 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, and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Results for the period and dividends

The results of the period's trading and the financial position of the company are shown on pages 11 to 13.

DESTINOLOGY LIMITED
Directors' report (continued)

Directors

The Directors who served during the year were as follows:

P R Shaw
D L Windle
A C Donald (resigned 17 August 2018)
S A Jenkins (appointed 6 November 2018)

Employee involvement

During the year the Company has maintained the practice of keeping employees informed about current activities and progress by various methods including regular update presentations. Employee participation and involvement is encouraged.

Employment of disabled persons

It is the policy of the Company to develop a working environment and to offer terms and conditions of service to provide disabled persons with the appropriate skills, qualifications and equal opportunities to seek and maintain employment with the Company. It is the Company's policy to retain in employment, whenever practicable, employees who become disabled and give all such employees equal consideration for training and career development to enable them to fulfil their promotion potential.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its performance, position, risk management objectives, details of its financial instruments and derivative activities, and its exposure to legislative, operational and brand risk are described in the Strategic Report on pages 2 to 4.

The Directors believe that the Company is well placed to successfully manage its business risks and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Political donations

The Company has not made any political donations during the year.

DESTINOLOGY LIMITED
Directors' report (continued)

Disclosure of information to the auditor

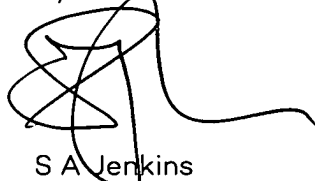
Each current Director has made enquiries of their fellow Directors and the Company's auditor and taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Relevant audit information is that information needed by the auditor in connection with preparing its 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.

Auditor

In accordance with section 487(2) of the Companies Act 2006, the Auditor KPMG LLP is deemed re-appointed.

By order of the Board

A handwritten signature in black ink, appearing to be 'S A Jenkins', written over a circular stamp or seal.

S A Jenkins
Director

24 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED

Opinion

We have audited the financial statements of Destinology Limited ("the Company") for the year ended 31 January 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED (continued)

Going concern (continued)

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESTINOLOGY LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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.



Heidi Broom-Hirst (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

29 July 2019

DESTINOLOGY LIMITED**Income statement for the year ended 31 January 2019**

	Notes	2019 £'000	2018 (restated) £'000
Turnover	3	58,153	59,155
Cost of sales		(49,151)	(50,467)
Gross Profit		<u>9,002</u>	<u>8,688</u>
Administrative & marketing expenses		(8,046)	(8,248)
Operating profit	4	<u>956</u>	<u>440</u>
Interest receivable and similar income	7	283	(150)
Profit on ordinary activities before taxation		<u>1,239</u>	<u>290</u>
Taxation	8	(245)	194
Profit for the financial year		<u><u>994</u></u>	<u><u>484</u></u>

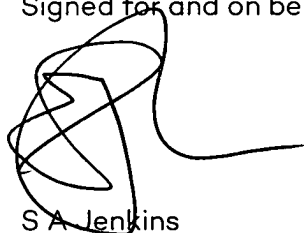
There are no other items of comprehensive income other than those included above in the income statement; accordingly the profit for the financial year is also total comprehensive income for the year.

Notes 1 to 23 form an integral part of these financial statements.

DESTINOLOGY LIMITED
Balance sheet as at 31 January 2019

	Notes	2019 £'000	2018 (restated) £'000
Fixed assets			
Intangible assets	9	2,070	1,829
Tangible assets	10	<u>330</u>	<u>399</u>
		2,400	2,228
Current assets			
Stock	11	-	11
Debtors	12	6,868	6,304
Cash at bank and in hand	13	<u>9,920</u>	<u>7,071</u>
		16,788	13,386
Creditors: amounts falling due within one year	14	<u>(16,493)</u>	<u>(13,902)</u>
Net current assets / (liabilities)		<u>295</u>	<u>(516)</u>
Total assets less current liabilities		2,695	1,712
Deferred tax	15	(42)	(29)
Net assets		<u>2,653</u>	<u>1,683</u>
Capital and reserves			
Called up share capital	16	30	30
Capital contribution reserve	17	(13)	11
Profit and loss account		<u>2,636</u>	<u>1,642</u>
		<u>2,653</u>	<u>1,683</u>

Signed for and on behalf of the Board by:



S A Jenkins
Director

24 July 2019

Notes 1 to 23 form an integral part of these financial statements.

DESTINOLOGY LIMITED**Statement of changes in equity for the year ended 31 January 2019**

	Called-up Share Capital £'000	Capital Contribution Reserve £'000	Retained Earnings £'000	Total Equity £'000
At 1 February 2017 (as reported)	15	4	1,441	1,460
IFRS 15 adjustment	-	-	(55)	(55)
At 1 February 2017 (restated)	15	4	1,386	1,405
Profit for the financial year (restated)	-	-	484	484
Dividends Paid	-	-	(228)	(228)
Issue of Share Capital	15	-	-	15
Share Based Payment Charge	-	7	-	7
At 31 January 2018 (restated)	30	11	1,642	1,683
Profit for the financial year	-	-	994	994
Share Based Payment Charge	-	(24)	-	(24)
At 31 January 2019	30	(13)	2,636	2,653

Notes 1 to 23 form an integral part of these financial statements.

DESTINOLOGY LIMITED

Notes to the financial statements

1. General information

Destinology Limited (the "Company") is a company incorporated and domiciled in the UK (Company No. 04293908) with a Registered Office; Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE.

2. Significant Accounting policies

a) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The consolidated financial statements of Saga plc, within which this Company is included, can be obtained from the address given in note 18.

The Company has taken advantage of the following disclosure exemptions under FRS101:

- a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 "Share Based Payment" because the share-based payment arrangement concerns the instruments of another group entity.
- b) the requirements of IFRS 7 "Financial Instruments: Disclosures".
- c) the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".
- d) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 "Revenue from Contracts with Customers".
- e) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - i) paragraph 79(a)(iv) of IAS 1;
 - ii) paragraph 73(e) of IAS 16 "Property, Plant and Equipment"; and
 - iii) paragraph 118(e) of IAS 38 "Intangible assets".
- f) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 39(c), 40A-D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements".
- g) the requirements of IAS 7 "Statement of Cash Flows".

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

a) Basis of preparation (continued)

- h) the requirements of paragraphs 30 and 31 of IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors”.
- i) the requirements of paragraph 17 of IAS 24 “Related Party Disclosures”.
- j) the requirements in IAS 24 “Related Party Disclosures” to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

b) Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as the balance sheet date and the amounts reported for revenues and expenses during the year, that are not readily apparent from other sources. However, the nature of estimation means that actual outcomes may differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no estimates, assumptions and judgements at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

c) Revenue recognition

The Company has adopted IFRS 15 Revenue from Contracts with Customers for the first time in the year ended 31 January 2019. The Company applied IFRS 15 retrospectively and the details of the new accounting policies for revenue recognition are disclosed below. See note 23 for a reconciliation of the impact on the financial statements arising from the transition to IFRS 15.

Revenue from tour operations is recognised in line with the performance obligations that are included in a package holiday, namely the provision of flights, accommodation, transfers and travel insurance. Revenue is recognised as and when each performance obligation is satisfied. An element of revenue which represents the non-refundable deposit received at the time of booking is recognised in the income statement immediately in line with the prevailing rate of cancellation.

Revenue from sales in resort, for example for optional excursions, is recognised as it is earned. Revenue received in advance of when each performance obligation is satisfied is included as other liabilities in the statement of financial position.

Marketing income is recognised through the profit & loss account over the period of the marketing campaign. The unrecognised element of advertising revenue relating to future periods is held within creditors as deferred income.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

d) Intangible fixed assets

Intangible assets acquired are measured on initial recognition at cost. Intangible assets acquired in a business combination are measured at their fair value at the date of acquisition and, following initial recognition are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding internally developed software, are not capitalised and the related expenditure is reflected in the income statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Estimated useful lives are as follows:

Development Costs	5 years
Software	5 years

Intangible assets with finite lives are amortised over their useful economic life on a basis appropriate to the consumption of the asset and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

The cost of fixed assets less their expected residual value is depreciated on a reducing-balance basis over their estimated useful life. Leasehold Improvements are written off on a straight line basis over 5 years.

These lives are as follows:

Computer hardware	- 20% per annum
Fixtures and fittings	- 20% per annum
Motor Vehicles	- 20% per annum
Leasehold Improvements	- 5 years straight line

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the income statement in the period of de-recognition.

f) Leases

Leases under which substantially all of the risk and rewards of ownership are transferred to the Company are finance leases. All other leases are operating leases.

Assets held under finance leases are recognised at the lower of the fair value of the asset and the present value of the minimum lease payments within property, plant and equipment on the statement of financial position and depreciated over the shorter of the lease term or their expected useful lives. The interest element of finance lease payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

Operating lease rentals are charged to the income statement on a straight-line basis over the lease term.

Income arising from operating leases where the Company acts as lessor is recognised on a straight-line basis over the lease term and included in operating income due to its operating nature.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

g) Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

h) Cash at bank and in hand

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

i) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

j) Pension benefits

The Company operates a defined contribution scheme. The pension costs are charged to the Profit and Loss Account in the period for which contributions are payable. Assets of the scheme are held separately from those of the Company in independently administered funds.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

k) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is dealt with in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Stock

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 any further costs expected to be incurred to completion and disposal.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

m) Non-trading 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 non-trading. Non-trading items are charged or credited to the income statement as appropriate and have been disclosed in order to improve a reader's understanding of the Financial Statements.

n) Investment income

Investment income in the form of interest is recognised in the income statement as it accrues and is calculated using the effective interest rate method. Fees and commissions which are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

o) Gains and losses on financial investments

Realised and unrealised gains and losses on financial investments are recorded as finance income in the income statement. Realised gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on the date of sale. Unrealised gains and losses, arising on financial assets measured at fair value through profit and loss which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or the purchase value for investments acquired during the year, net of the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

DESTINOLOGY LIMITED
Notes to the financial statements

2. Significant Accounting policies (continued)

p) Financial instruments

The Company has adopted IFRS 9 Financial Instruments for the first time for the year ended 31 January 2019. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. As such, the Company has changed its accounting policy and applied it retrospectively, for financial instruments as detailed below.

i) Financial assets

Financial Assets at Amortised Cost
Initial Recognition

A financial asset is measured at amortised cost if it meets both of the following conditions and is not elected to be designated as a FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent Measurement

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss as they are incurred. Any gain or loss on derecognition is recognised in profit or loss immediately.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
Initial Recognition

A debt investment is measured at FVOCI if it meets both of the following conditions and is not elected to be designated as FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

p) Financial instruments (continued)

i) Financial assets (continued)

Subsequent Measurement

Debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are recycled to profit or loss.

Equity investments are measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial Assets at Fair Value through Profit and Loss (FVTPL)

Initial Recognition

All financial assets not classified as amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably elect to designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This election is made on an investment by investment basis.

A financial asset is initially measured at fair value less, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, unless such instrument is designated in a hedging relationship.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Company has transferred substantially all the risks and rewards relating to the asset to a third party.

2. Significant Accounting policies (continued)

p) Financial instruments (continued)

ii) Impairment of financial assets

The IFRS 9 expected credit loss (ECL) impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI.

The Company measures loss allowances at an amount equal to 12-month ECLs, except for the following, which are measured as lifetime ECLs:

- Debt securities that are determined to have high credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has increased significantly since initial recognition.
- Trade receivables and contract assets that result from transactions within the scope of IFRS 15.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the definition of 'investment grade'. The Company considers this to be BBB or higher as per Standard & Poor's rating scale.

Measurement of ECLs

ECLs are measured as a probability-weighted estimate of credit losses. Credit losses are measured as the probability of default in conjunction with the present value of the Company's exposure. Loss allowances for ECLs on financial assets measured at amortised cost are recognised as a provision in the statement of financial position with a corresponding charge to the income statement. For debt instruments measured at FVOCI the loss allowance is recognised in the statement of comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. In such an event, the lifetime ECL will be recognised in lieu of the 12-month ECL.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

p) Financial instruments (continued)

iii) Financial liabilities

Initial recognition and measurement

All financial liabilities are classified as financial liabilities at amortised cost on initial recognition except for derivatives, which are classified at FVTPL, the gains or losses for which are recognised through other comprehensive income if the instrument is designated as a hedging instrument in an effective hedge.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss (FVTPL):

Derivative financial instruments not designated as hedging instruments are classified as FVTPL. Financial liabilities at FVTPL are stated at fair value; with any resultant gain or loss recognised through the income statement.

Loans and borrowings and other payables:

After initial recognition, interest bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

p) Financial instruments (continued)

iii) Financial liabilities (continued)

Derivatives

Derivatives are measured at fair value both initially and subsequent to initial recognition. All changes in fair value are recognised in the income statement. Derivatives are presented as assets when the fair values are positive and as liabilities when the fair values are negative. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

iv) Fair values

The Company measures financial instruments, such as, derivatives, and financial instruments classified as available-for-sale and at FVTPL at fair value at each reporting date.

Fair value is the price that would be required to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market accessible by the Company for the asset or liability or in the absence of a principal market, in the most advantageous market accessible by the Company for the asset or liability.

The fair values are quoted market prices where there is an active market or are based on valuation techniques when there is no active market or the instruments are unlisted. Valuation techniques include the use of recent arm's length market transactions, discounted cash flow analysis and other commonly used valuation techniques. An analysis of the fair values of financial instruments and further details as to how they are measured are provided below.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Finance costs

Finance costs comprise interest paid and payable which is calculated using the effective interest rate method and recognised in the income statement as it accrues. Accrued interest is included within the carrying value of the interest bearing financial liability in the statement of financial position.

DESTINOLOGY LIMITED

Notes to the financial statements

2. Significant Accounting policies (continued)

r) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the income statement.

Amounts in the financial statements are stated in the Company's functional currency of pounds sterling (£'000).

Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value are translated using the exchange rate at the date when the fair value is determined. The gains or losses arising on translation of non-monetary items measured at fair value are treated in line with the recognition of gains or losses arising on a change in the fair value of the item (i.e. the translation differences on items whose fair value gain or loss is recognised in other comprehensive income or the income statement are also recognised in other comprehensive income or the income statement, respectively).

s) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the Profit and Loss Account over the period of the lease and represents a constant periodic rate of charge.

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

3. Turnover

In the opinion of the Directors there is only one class of business. Turnover is entirely attributable to the UK.

DESTINOLOGY LIMITED
Notes to the financial statements

4. Profit on ordinary activities before taxation

This is stated after charging/ (crediting):-

	2019	2018
	£'000	£'000
Auditor's remuneration - audit services	51	50
Amortisation of intangible fixed assets	345	378
Depreciation of tangible fixed assets	82	(6)
Operating leases – property	203	171
Group management charges	628	518
Marketing and override income	<u>(1,009)</u>	<u>(1,185)</u>

The fees for the audit of the Company have been borne by its immediate parent company, ST&H Limited.

5. Directors' remuneration

The remuneration of the Directors of the Company during the year was £nil (2018: £nil)

6. Staff costs

	2019	2018
	£'000	£'000
Wages and salaries	2,923	3,303
Social security costs	312	367
Pension costs	<u>96</u>	<u>60</u>
	<u>3,331</u>	<u>3,730</u>

Included in wages and salaries is a total credit of the share-based payments of £24,000 (2018: expense of £7,000)

The average monthly number of employees during the year including Directors within each category of persons was:

	No.	No.
Sales and administration	<u>117</u>	<u>135</u>

7. Interest receivable and similar income

	2019	2018
	£'000	£'000
Bank interest receivable	14	4
Revaluation gains/(losses) on derivative financial instruments	<u>269</u>	<u>(154)</u>
	<u>283</u>	<u>(150)</u>

DESTINOLOGY LIMITED
Notes to the financial statements

8. Taxation

	2019 £'000	2018 (restated) £'000
Current tax		
UK corporation tax at 19.00% (2018 – 19.17%)	232	49
Adjustments in respect of prior periods	-	(241)
Total current tax charge/(credit)	<u>232</u>	<u>(192)</u>
Deferred tax		
Origination and reversal of timing differences	4	7
Adjustments in respect of prior periods	9	(11)
IFRS 15 transition	-	2
Total deferred tax charge/(credit)	<u>13</u>	<u>(2)</u>
Total tax charge/(credit) in the income statement	<u>245</u>	<u>(194)</u>
Reconciliation of total tax charge/(credit):	2019	2018
	£'000	£'000
Pre-tax profit at 19.00% (2018 – 19.17%)	235	55
Effects of:		
Permanent differences	2	3
Adjustments in respect of prior periods	9	(251)
Rate change adjustment on temporary differences	(1)	(1)
Total tax charge/(credit) in the income statement	<u>245</u>	<u>(194)</u>

DESTINOLOGY LIMITED
Notes to the financial statements

9. Intangible fixed assets

	Development costs £'000	Computer Software £'000	Total £'000
Cost			
At 1 February 2018	3,025	530	3,555
Additions	554	32	586
Disposals	-	-	-
At 31 January 2019	3,579	562	4,141
Amortisation			
At 1 February 2018	1,443	283	1,726
Charge for the year	317	28	345
Eliminated on disposal	-	-	-
At 31 January 2019	1,760	311	2,071
Net book value as at 31 January 2019	1,819	251	2,070
Net book value as at 31 January 2018	1,582	247	1,829

DESTINOLOGY LIMITED
Notes to the financial statements

10. Tangible fixed assets

	Leasehold Improv'm'ts £'000	Fixtures and fittings £'000	Computer hardware £'000	Total £'000
Cost				
At 1 February 2018	245	108	533	886
Additions	-	8	5	13
Disposals	-	-	-	-
At 31 January 2019	245	116	538	899
Depreciation				
At 1 February 2018	116	71	300	487
Charge for the period	25	9	48	82
Eliminated on disposal	-	-	-	-
At 31 January 2019	141	80	348	569
Net book value as at 31 January	104	36	190	330
Net book value as at 31 January	129	37	233	399

11. Stock

	2019 £'000	2018 £'000
Stationery and consumables	-	11

12. Debtors

	2019 £'000	2018 (restated) £'000
Trade debtors	1,200	1,331
Other debtors	250	55
Derivative financial instruments (forward contracts)	21	-
Prepayments and accrued income	5,397	4,918
	6,868	6,304

DESTINOLOGY LIMITED
Notes to the financial statements

13. Cash at bank and in hand

	2019	2018
	£'000	£'000
Cash	2,863	1,721
Fixed term deposits	7,057	5,350
	<u>9,920</u>	<u>7,071</u>

14. Creditors: amounts falling due within one year

	2019	2018 (restated)
	£'000	£'000
Other creditors	126	240
Derivative financial instruments	205	452
Amounts owed to Group undertakings	3,763	462
Accruals	1,279	1,486
Deferred revenue	11,120	11,262
	<u>16,493</u>	<u>13,902</u>

15. Deferred tax

	2019	2018 (restated)
	£'000	£'000
Accelerated capital allowances	(31)	(32)
Other short term timing differences	(4)	3
FRS101 short term timing differences re derivatives	(7)	(8)
IFRS 15 transition	-	8
	<u>(42)</u>	<u>(29)</u>

	2019	2018 (restated)
	£'000	£'000
As at 1 February 2017 / 2018	(29)	(31)
Deferred tax charged/(credited) to the P&L (note 8)	(13)	2
Balance at 31 January 2018 / 2019	<u>(42)</u>	<u>(29)</u>

A reduction in the UK Corporation Tax rate from 21% to 20% took effect on 1 April 2015, and further reductions were enacted in the Finance Act 2015 to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020.

On 16 March 2016 the Chancellor presented the 2016 budget in which he announced a further reduction in the future corporation tax rate. Instead of the UK corporation tax rate reducing from 19% to 18%, on 1 April 2020, the rate will now fall to 17%. As the new rate of 17% has been enacted at the balance sheet, the closing deferred tax balances have been reflected at 17%.

DESTINOLOGY LIMITED
Notes to the financial statements

16. Called up share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid: 3,000,000 Ordinary shares of 1p each [Class A]	30	30

17. Capital contribution reserve

The capital contribution reserve is in respect of contributions from the ultimate parent company, Saga plc, in relation to share based awards made by it to the Company's employees. Further information can be found in note 23 and the financial statements of Saga plc.

18. Operating lease commitments

At 31 January 2019, the Company had total commitments under operating leases as set out below.

	2019 Land and buildings £'000	2018 Land and buildings £'000
Operating leases which expire:		
Within 1 year	128	121
Within 2 to 5 years	433	51

19. Derivative financial instruments

The fair value of Destinology's foreign currency forwards and options as at 31 January 2019 is a net liability of £184,000 (2018 - £9,000). These forward contracts and options are held to hedge the Company's exposure to foreign currencies which are principally US Dollar, Arab Emirate Dirham, Euro and Thai Baht.

20. Share-based payments

Saga plc, the ultimate parent of the Saga group, uses equity-settled share plans to grant options and shares to the Company's Directors and employees. Equity-settled share-based payments issued to the Company's employees are measured at fair value and that this value is expensed over the vesting period.

Share options are granted under the Saga plc Long-Term Incentive Plan (LTIP).

The LTIP is a discretionary executive share plan. Under the LTIP, the Saga plc Board may, within certain limits and subject to applicable performance conditions, grant options over shares in Saga plc. Up to 31 January 2017, these options are 50% linked to a non-market vesting condition, EPS, and 50% linked to a market vesting condition, TSR. From 1 February 2017 to 31 January 2018, these options are 60% linked to non-market vesting conditions (30% linked to basic EPS and 30% linked to organic EPS) and 40% linked to a market vesting condition, TSR. From 1 February 2018, these options are 60% linked to non-market vesting conditions (30% linked to organic EPS and 30% linked to ROCE) and 40% linked to a market vesting condition, TSR. The fair value of the options has been calculated using a Black-Scholes valuation.

The table below summarises the movements in the number of share options outstanding for the employees of the Company and their weighted average exercise price:

	LTIP
Outstanding at 1 February 2018	15,270
Granted during the year	31,523
Forfeited during the year	-
Outstanding at 31 January 2019	<u>46,793</u>
Exercise price	<u>£nil</u>
Exercisable at 31 January 2019	<u>-</u>
Average remaining contractual life	<u>1.9 years</u>
Average fair value at grant	<u>£1.37</u>

Details of the information relevant in determining the fair value of options granted is available in the financial statements of Saga plc.

DESTINOLOGY LIMITED

Notes to the financial statements

21. Ultimate parent undertaking

The financial statements of the Company have been consolidated in the group financial statements of ST&H Limited (the immediate parent undertaking) and Saga plc (the ultimate parent undertaking), both of which are registered in England and Wales.

In respect of the year ending 31 January 2019, ST&H Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

A copy of the financial statements of Saga plc for the year ended 31 January 2019 may be obtained from the corporate website www.corporate.saga.co.uk or from the Company Secretary, Saga plc, Enbrook Park, Folkestone, Kent, CT20 3SE.

22. Ultimate controlling party

The Directors consider the ultimate controlling party to be Saga plc.

23. Transition to IFRS 9 and IFRS 15

	As reported 31 Jan 2018 £'000	IFRS 9/15 adjustment £'000	As restated 31 Jan 2018 £'000
Revenue	59,032	123	59,155
Cost of sales	(50,358)	(109)	(50,467)
Gross profit	8,674	14	8,688
Administrative and marketing expenses	(8,248)	-	(8,248)
Operating profit	426	14	440
Interest receivable	4	-	4
Revaluation (losses) on derivative financial instruments	(154)	-	(154)
Profit on ordinary activities before tax	276	14	290
Taxation	196	(2)	194
Profit for the period	472	12	484

DESTINOLOGY LIMITED
Notes to the financial statements

23. Transition to IFRS 15 and IFRS 9 (continued)

	As reported 31 Jan 17 £'000	IFRS 9/15 adjustment £'000	As restated 31 Jan 17 £'000	As reported 31 Jan 18 £'000	IFRS 9/15 adjustment £'000	As restated 31 Jan 18 £'000
Fixed Assets						
Intangible assets	1,533	-	1,533	1,829	-	1,829
Tangible assets	264	-	264	399	-	399
	<u>1,797</u>	<u>-</u>	<u>1,797</u>	<u>2,228</u>	<u>-</u>	<u>2,228</u>
Current Assets						
Stock	10	-	10	11	-	11
Debtors	7,456	524	7,980	5,890	414	6,304
Cash at bank and in hand	8,203	-	8,203	7,071	-	7,071
	<u>15,669</u>	<u>524</u>	<u>16,193</u>	<u>12,972</u>	<u>414</u>	<u>13,386</u>
Creditors – amounts falling due within one	<u>(15,965)</u>	<u>(589)</u>	<u>(16,554)</u>	<u>(13,437)</u>	<u>(465)</u>	<u>(13,902)</u>
Net current liabilities	<u>(296)</u>	<u>(65)</u>	<u>(361)</u>	<u>(465)</u>	<u>(51)</u>	<u>(516)</u>
Deferred tax	<u>(41)</u>	<u>10</u>	<u>(31)</u>	<u>(37)</u>	<u>8</u>	<u>(29)</u>
Net assets	<u>1,460</u>	<u>(55)</u>	<u>1,405</u>	<u>1,726</u>	<u>(43)</u>	<u>1,683</u>
Capital and reserves						
Called up share capital	15	-	15	30	-	30
Capital contribution reserve	4	-	4	11	-	11
Profit and loss account	1,441	(55)	1,386	1,685	(43)	1,642
Total shareholders' funds	<u>1,460</u>	<u>(55)</u>	<u>1,405</u>	<u>1,726</u>	<u>(43)</u>	<u>1,683</u>