

Great Rail Journeys Holdings Limited

Annual report and financial statements

Registered number 05544491

31 October 2017

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Contents

Company information	1
Directors' report	2
Strategic report	4
Statement of Directors' responsibilities in respect of the Directors' report, Strategic report and the financial statements	5
Independent auditor's report to the members of Great Rail Journeys Holdings Limited	6
Profit and Loss Account and Other Comprehensive Income	8
Balance sheet	9
Statement of Changes in Equity	10
Notes	11

Company information

Directors	N Cust P Liney M Johnson N Pritchard M Taylor A Roberts J Appleyard
Secretary	M Johnson
Company number	05544491
Registered office	Saviour House 9 St Saviourgate York YO1 8NL
Registered auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Bankers	Lloyds Bank Corporate Markets 2 nd Floor Lisbon House 116 Wellington Street Leeds LS1 4LT

Directors' report

The directors present their directors' report and financial statements for the year ended 31 October 2017.

Principal activity

The principal activity of the company continued to be that of an intermediate holding company. The group, of which the company is part, is a tour operator selling and operating differentiated and exclusive rail based holidays.

Employees

This group company has no employees.

Dividends

The directors recommended the payment of interim dividends of £10,600,000 during the period (2016: £10,750,000).

The directors do not recommend the payment of a final dividend.

Research and development

The company had no research and development expenditure in the current year or prior year.

Political contributions

The company made no political donations or incurred any political expenditure during the year.

Directors

The directors who held office during the period were as follows:

N Cust
P Liney
M Johnson
A Roberts
M Taylor
J Appleyard
N Pritchard

Qualifying indemnity insurance

Certain directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Directors' report *(continued)*

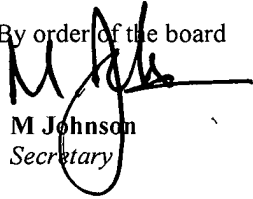
Disclosure of information to auditor

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

Auditor

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

By order of the board


M Johnson
Secretary

Saviour House
9 St Saviourgate
York
YO1 8NL

17 January 2018

Strategic report

Development and performance during the period

The only transactions for the period are intragroup dividends.

For the year ended 31 October 2017 profit on ordinary activities before taxation, all of which resulted from intragroup dividend income amounted to £10,600,000 (2016: £10,750,000). Following tax charges and an intragroup dividend of £10,600,000 (2016: £10,750,000) retained profits for the company amounted to £nil (2016: £nil). As an intermediate holding company the directors consider that this result is satisfactory.

Position at the period end

The financial position at the period end is set out in the balance sheet on page 9 of these accounts. Company net assets are unchanged at £15,646,000 (2016: £15,646,000). The directors consider that as an intermediate holding company this financial position is satisfactory.

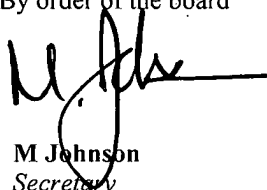
Outlook

The directors anticipate that the principal activity of this company will continue to be that of an intermediate holding company transacting intragroup dividends only.

Principal risks & uncertainties

As an intermediate holding company within a group structure, the risks and uncertainties facing this company will be as disclosed in the accounts of Great Rail Journeys Ltd as the tour operator trading entity within the group.

By order of the board



M Johnson
Secretary

Saviour House
9 St Saviourgate
York
YO1 8NL

17 January 2018

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Great Rail Journeys Holdings Limited

Opinion

We have audited the financial statements of Great Rail Journeys Holdings Limited ("the company") for the year ended 31 October 2017 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

Strategic report and directors' report

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

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

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

Independent auditor's report to the members of Great Rail Journeys Holdings Limited *(continued)*

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.

Directors' responsibilities

As explained more fully in their statement set out on page 5, 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.

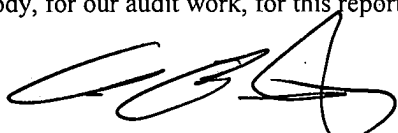
Auditor's responsibilities

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.



Ian Beaumont (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

West Yorkshire

LS1 4DA

17 January 2018

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 October 2017

	<i>Note</i>	2017 £000	2016 £000
Income from shares in group undertakings	4	10,600	10,750
Profit on ordinary activities before taxation	2	10,600	10,750
Tax on profit on ordinary activities	3	-	-
Profit for the financial period		10,600	10,750

There is no other comprehensive income during the accounting period.

All amounts relate to continuing activities.

There is no difference between the historical cost profit and loss account and the result shown above.

The notes on pages 11 to 16 form part of these financial statements.

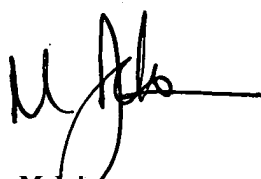
Balance sheet

At 31 October 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Investments	5		30,181		30,181
			<u>30,181</u>		<u>30,181</u>
Current assets					
Cash at bank and in hand		24		24	
		<u>24</u>		<u>24</u>	
Net current assets			24		24
Total assets less current liabilities			30,205		30,205
Creditors: amounts falling due after more than one year	6		(14,559)		(14,559)
Net assets			<u>15,646</u>		<u>15,646</u>
Capital and reserves					
Called up share capital	7		19		19
Share premium account	8		1,797		1,797
Preference shares	7		14,481		14,481
Profit and loss account	8		(651)		(651)
Shareholders' funds			<u>15,646</u>		<u>15,646</u>

The notes on pages 11 to 16 form part of these financial statements

These financial statements were approved by the board of directors on 17 January 2018 and were signed on its behalf by:



M Johnson
Director

Company registered number: 5544491

Statement of Changes in Equity

For the year ended 31 October 2017

	Called up Share capital £000	Share premium account £000	Preference shares £000	Profit & loss account £000	Total equity £000
Balance at 1 November 2015	19	1,797	14,481	(651)	15,646
Total comprehensive income for the period					
Profit or loss	-	-	-	10,750	10,750
Total comprehensive income for the period	-	-	-	10,750	10,750
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(10,750)	(10,750)
Total contributions by and distributions to owners	-	-	-	(10,750)	(10,750)
Balance at 31 October 2016	19	1,797	14,481	(651)	15,646

	Called up Share capital £000	Share premium account £000	Preference shares £000	Profit & loss account £000	Total equity £000
Balance at 1 November 2016	19	1,797	14,481	(651)	15,646
Total comprehensive income for the period					
Profit or loss	-	-	-	10,600	10,600
Total comprehensive income for the period	-	-	-	10,600	10,600
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(10,600)	(10,600)
Total contributions by and distributions to owners	-	-	-	(10,600)	(10,600)
Balance at 31 October 2017	19	1,797	14,481	(651)	15,646

Notes

(Forming part of the financial statements)

1 Accounting policies

Great Rail Journeys Holdings Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

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

As the consolidated financial statements of Thomas Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company is a wholly owned subsidiary of Thomas Topco Limited and therefore the company has also taken advantage of the exemption contained in FRS 102 section 33 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

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

Notes *(continued)*

1 **Accounting policies** *(continued)*

Management does not consider there to be any significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, in the preparation of the financial statements.

Measurement convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The financial statements have been approved on the assumption that the Company remains a going concern. The following paragraphs summarise the issues and basis on which the directors have reached their conclusion.

The group of which the company is a member has considerable financial resources and is expected to generate positive cash flows for the foreseeable future. As a result the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis in preparing the annual financial statements.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

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

Investments in subsidiaries

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

Foreign currency

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

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the group

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

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

2 Expenses and auditor's remuneration

	2017 £000	2016 £000
Auditor's remuneration		
Audit of these financial statements	3	3

Directors' and Auditor's remuneration was borne by other group companies

The Company does not have any employees.

3 Taxation

	2017 £000	2016 £000
Current tax		
Current tax on income for the year	-	-
Adjustment in respect of previous periods	-	-
Total current tax	-	-

Notes (continued)

3 Taxation (continued)

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	10,600	10,750
Total tax expense	-	-
Profit excluding taxation	10,600	10,750
Tax using the UK corporation tax rate of 19% (2016: 20%)	2,014	2,150
Income not assessable to tax	(2,014)	(2,150)
Total tax expense included in profit or loss	-	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the company's future current tax charge accordingly.

4 Dividends

	2017 £000	2016 £000
Equity: interim dividends received in respect of the current year/period	10,600	10,750

The directors do not recommend the payment of a final dividend.

Notes (continued)

5 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At 1 November 2016 and 31 October 2017	30,181

An impairment review at 31 October 2017 was performed. No indicators of impairment were identified at that date.

Holdings

Company	Principal activity	Country of registration or incorporation	Shares held	
			Class	%
<i>Subsidiary undertakings</i>				
Great Rail Journeys Partnership Limited	Intermediate holding company for Great Rail Journeys Limited	England and Wales	Ordinary	100
Great Rail Journeys Limited*	Tour operator selling and operating differentiated and exclusive rail based holidays	England and Wales	Ordinary	100
GRJ (Transport) Limited*	Provision of transport arrangements for Great Rail Journeys Limited	England and Wales	Ordinary	100
Great Rail Journeys North America LLC*	Tour operator selling Great Rail Journeys Limited in the US	United States of America	Ordinary	100

*indirect holding through Great Rail Journeys Partnership Limited

A new subsidiary Great Rail Journeys North America LLC was incorporated in April 2017 to sell Great Rail Journeys Limited holidays direct to the US consumer market. The registered office address is 3rd Floor, 369 Lexington Avenue, New York, NY 10017, USA.

Other than Great Rail Journeys North America LLC, all other subsidiaries share the same registered office, being Saviour House, 9 St Saviourgate, York, YO1 8NL.

6 Creditors: amounts falling due after one year

	2017 £000	2016 £000
Preference shares of £1 classified as debt		
Dividends on preference shares	14,559	14,559
	14,559	14,559

Following the acquisition by Thomas Topco Limited on 28 March 2013 the terms of preference shares previously categorised as debt were changed allowing them to be re-designated as share capital. Preference share interest accrued until the date of acquisition has been accrued and expensed to the Profit and Loss account.

Notes (continued)

7 Called up share capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
361,875 Ordinary shares of 1p each	4	4
1,509,259 Preferred Ordinary shares of 1p each	15	15
14,481,250 Preferred shares of £1 each	14,481	14,481
	<u>14,500</u>	<u>14,500</u>

Details of the share capital in issue at the period end are as follows:

Ordinary and Preference shares

Ordinary and preference shares carry voting rights of one vote per share held. The directors have the right to recommend, declare and pay dividends or make any other distribution in respect of ordinary and preference shares. On winding up both Ordinary and Preference shares rank *pari passu*.

8 Reserves

	Share Premium account £000	Profit and loss account £000
Balance at 1 November	1,797	(651)
Profit for the financial period	-	10,600
Dividends paid	-	(10,600)
Balance at 31 October	<u>1,797</u>	<u>(651)</u>

9 Ultimate parent company

The directors consider the ultimate controlling party of the company to be ECI Partners LLP acting in its capacity as manager of ECI 9A LP and ECI 9B LP.

The largest group in which the results of the company are consolidated is that headed by Thomas Topco Limited, incorporated in England and Wales.

10 Contingent liabilities

The company has provided security through a debenture in respect of a bank loan provided to Thomas Bidco Limited. This loan is repayable on 28 March 2019 and at 31 October 2027 amounted to £13,577,000 (2016: £15,465,000).