

RTL Cleanco Limited

**Annual report and consolidated
financial statements**

Registered number 09330824

30 November 2016



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Directors and advisors

Directors:

D Clemson
K Pollock

Registered office:

New Manor
328 Wetmore Road
Burton on Trent
Staffordshire
DE14 1SP

Registered number:

9330824 (England and Wales)

Auditor:

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Strategic report

The directors present their strategic report for the year ended 30 November 2016.

Review of business

The Directors are pleased to report a successful period, with turnover of £136.5m. The gross profit achieved in the period amounts to £44.0m, representing a margin of 32.2%.

The group is proud to have received a number of prestigious Travel awards, at the British Travel Awards, The Daily Telegraph, The Sunday Times, The Guardian and The Observer. This year, we are Which? magazine's highest-ranked river cruise operator, rated five stars for service, plus we were awarded 'Best Value For Money' by Travel Weekly and Best River Cruise from TTG. What's more, 97% of our customers said they would book with us again on Reevo, an independent provider of verified customer ratings and reviews.

Outlook

Although it is relatively early to predict final 2017 turnover levels, January booking levels have been in line with expectations and the Directors are cautiously positive as to current performance.

Principal risks and uncertainties

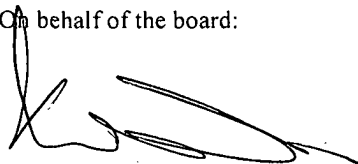
Market Risk

Given the nature of its product range, the group is exposed to general worldwide economic and political risks. The group operates a generally low risk model, with carefully managed level of committed capacity.

Financial Risk

The principal financial risk the group faces relates to foreign exchange, which is managed by a conservative hedging policy. The majority of current 2017 currency requirements have been hedged and 2018 requirements are being planned. The Directors consider both the Company and Group to be adequately funded.

On behalf of the board:



David Clemson

Director

Date: 30 January 2017

Directors' report

The directors present their report with the financial statements of the company and the group for the year ended 30 November 2016.

Dividends

No dividends will be distributed for the period ended 30 November 2016.

Directors

The directors who have held office during the period from 1 December 2015 to the date of this report are as follows:

D Clemson
E Moore (resigned 31 August 2016)
K Pollock (appointed 19 July 2016)

Political donations and expenditure

The group has continued its agreement with "Hope and Homes for Children", a UK based charity which offers assistance to disaffected children worldwide, and made donations totalling £108,898 (2015: £111,658), during the year. Additional charitable donations totalled £826 (2015: £100). The company made no political donations during the year (2015: £nil).

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group'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.

On behalf of the board:



David Clemson

Director

Dated: 30 January 2017

Statement of directors' responsibilities in respect of the annual 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 group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of RTL Cleanco Limited

We have audited the financial statements of RTL Cleanco Limited for the year ended 30 November 2016 set out on pages 6 to 29. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Directors' Responsibilities Statement 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Ian Borley (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Dated: 30 January 2017

Consolidated profit and loss account and other comprehensive income
for year ended 30 November 2016

	<i>Note</i>	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Turnover	3	136,473	126,225
Cost of sales		(92,429)	(86,921)
		<hr/>	<hr/>
Gross profit		44,044	39,304
Administrative expenses		(46,219)	(48,008)
Other operating income	4	870	170
		<hr/>	<hr/>
Group operating loss		(1,305)	(8,534)
Other interest receivable and similar income	8	166	158
Interest payable and similar charges	9	(4,948)	(6,692)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(6,087)	(15,068)
Tax on loss on ordinary activities	10	(210)	1,710
		<hr/>	<hr/>
Loss for the financial year/period		(6,297)	(13,358)
		<hr/>	<hr/>
Other comprehensive income			
Effective portion of changes in fair value of cash flow hedges		10,491	(2,859)
Income tax on other comprehensive income		(1,812)	530
		<hr/>	<hr/>
Other comprehensive income for the year, net of income tax		8,679	(2,329)
		<hr/>	<hr/>
Total comprehensive income for the year/period		2,382	(15,687)
		<hr/>	<hr/>

On 18 December 2014 RTL Bidco Limited, a subsidiary, acquired the business of Riviera Tours Limited and its subsidiary Riviera Tours (Transport) Limited. In both the current year and prior period, the company made no other material acquisitions and had no discontinued operations.

Consolidated balance sheet
at 30 November 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	11	91,886	107,631
Tangible assets	12	456	259
		<u>92,342</u>	<u>107,890</u>
Current assets			
Debtors	14	17,939	5,947
Cash at bank and in hand		23,596	18,998
Restricted bank balances		11,000	11,000
	15	<u>34,596</u>	<u>29,998</u>
		52,535	35,945
Creditors: amounts falling due within one year	16	<u>(96,438)</u>	<u>(92,991)</u>
Net current liabilities		<u>(43,903)</u>	<u>(57,046)</u>
Total assets less current liabilities		<u>48,439</u>	<u>50,844</u>
Creditors: amounts falling due after more than one year	17	(55,830)	(60,812)
Provisions for liabilities			
Deferred tax liability	20	<u>(5,189)</u>	<u>(4,994)</u>
		(61,019)	(65,806)
Net liabilities		<u>(12,580)</u>	<u>(14,962)</u>
Capital and reserves			
Called up share capital	22	7	7
Share premium account		718	718
Cash flow hedging reserve		6,350	(2,329)
Profit and loss account		<u>(19,655)</u>	<u>(13,358)</u>
Shareholders' deficit		<u>(12,580)</u>	<u>(14,962)</u>

These financial statements were approved by the board of directors on 30 January 2017 and were signed on its behalf by:



Kieron Pollock
Director

Company registered number: 09330824

Company balance sheet
at 30 November 2016

	<i>Note</i>	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Investments	13		725		725
Current assets					
Debtors	14	56,221		56,221	
Creditors: amounts falling due within one year	16	<u>(56,221)</u>		<u>(56,221)</u>	
Net current assets			-		-
Net assets			<u>725</u>		<u>725</u>
Capital and reserves					
Called up share capital	22		7		7
Share premium account			<u>718</u>		<u>718</u>
Shareholders' funds			<u>725</u>		<u>725</u>

These financial statements were approved by the board of directors on 30 January 2017 and were signed on its behalf by:



Kieron Pollock
Director

Company registered number: 09330824

Consolidated statement of changes in equity

	Called up share capital £000	Share premium account £000	Cash flow hedging reserve £000	Profit and loss account £000	Total equity £000
Balance at 27 November 2014	-	-	-	-	-
Total comprehensive income for the period					
Loss	-	-	-	(13,358)	(13,358)
<i>Other comprehensive income</i>					
Effective portion of changes in fair value of cash flow hedges	-	-	(2,859)	-	(2,859)
Tax effect of cash flow hedges	-	-	530	-	530
Transactions with owners, recorded directly in equity					
Issue of shares	7	718	-	-	725
Total contributions by and distributions to owners	7	718	-	-	725
Balance at 30 November 2015	7	718	(2,329)	(13,358)	(14,962)
	Called up Share Capital £000	Share premium account £000	Cash flow hedging reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 December 2015	7	718	(2,329)	(13,358)	(14,962)
Total comprehensive income for the period					
Loss	-	-	-	(6,297)	(6,297)
<i>Other comprehensive income</i>					
Effective portion of changes in fair value of cash flow hedges	-	-	10,491	-	10,491
Tax effect of cash flow hedges	-	-	(1,812)	-	(1,812)
Balance at 30 November 2016	7	718	6,350	(19,655)	(12,580)

Company statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 27 November 2014	-	-	-	-
Total comprehensive income for the period				
Profit	-	-	-	-
Transactions with owners, recorded directly in equity				
Issue of shares	7	718	-	725
Total contributions by and distributions to owners	7	718	-	725
Balance at 30 November 2015	7	718	-	725
	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 December 2015	7	718	-	725
Total comprehensive income for the period				
Profit or loss	-	-	-	-
Balance at 30 November 2016	7	718	-	725

Consolidated cash flow statement
for year ended 30 November 2016

	Note	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Cash flows from operating activities			
Loss for the year		(6,297)	(13,358)
Adjustments for:			
Depreciation, amortisation and impairment		16,638	22,287
Interest receivable and similar income		(166)	(158)
Interest payable and similar charges		4,948	6,692
Taxation		210	(1,710)
		<hr/> 15,333	<hr/> 13,753
Increase in trade and other debtors		(4,359)	(1,128)
Increase in trade and other creditors		4,557	81,193
		<hr/> 15,531	<hr/> 93,818
Tax paid		(78)	(2,081)
Net cash from operating activities		<hr/> 15,453	<hr/> 91,737
Cash flows from investing activities			
Interest received	8	166	158
Acquisition of Riviera Tours	2	-	(139,285)
Cash received with acquisition	2	-	22,264
Acquisition of tangible fixed assets	12	(438)	(103)
Acquisition of other intangible fixed assets		(652)	-
		<hr/> (924)	<hr/> (116,966)
Net cash from investing activities			
Cash flows from financing activities			
Proceeds from the issue of share capital		-	725
Proceeds from new loan		-	63,500
Debt issue costs		(31)	(3,269)
Interest paid		(5,675)	(5,729)
Repayment of borrowings		(5,000)	-
		<hr/> (10,706)	<hr/> 55,227
Net cash from financing activities			
Net increase in cash and cash equivalents		3,823	29,998
Cash and cash equivalents at 1 December / 27 November		29,998	-
Effect of exchange rate fluctuations on cash held		775	-
		<hr/> 34,596	<hr/> 29,998
Cash and cash equivalents at 30 November		<hr/> <hr/> 34,596	<hr/> <hr/> 29,998

Notes

(forming part of the financial statements)

1 Accounting policies

RTL Cleanco Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Group has made some measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Group is provided in note 28.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- 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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

1.2. Going concern

The financial statements have been prepared on the going concern basis, under the historical cost convention, notwithstanding consolidated net liabilities of £12,580,000 at 30 November 2016. The Directors of the Group have prepared forecasts which demonstrate that the Group has sufficient headroom within the facilities for the foreseeable future. On this basis the directors believe it is appropriate to prepare these financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 November 2016. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4. 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5. 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.

1.6. Basic financial instruments

Trade and other debtors / creditors

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

Interest-bearing borrowings classified as basic financial instruments

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

Cash and cash equivalents

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

Notes (continued)

1 Accounting policies (continued)

1.7. Other financial instruments

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.8. Tangible fixed assets

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

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

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Fixtures and fittings 50% on cost, 33% on cost and 25% on cost

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

1.9. Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Notes (continued)

1 Accounting policies (continued)

1.10. Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

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

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

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships – 10 years
- Brand name – 10 years
- Software costs – 4 years
- Capitalised development costs – 2 years

Goodwill is amortised on an annual basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

The customer relationships and the brand name are amortised over 10 years on a reducing balance basis in line with the attrition rates.

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

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

Research and development

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

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs.

1.11. Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.11. Impairment excluding deferred tax assets (continued)

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12. Employee benefits

Defined contribution plans

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

Notes (continued)

1 Accounting policies (continued)

1.13. Turnover

Turnover represents the value of holidays departing during the year, excluding value added tax and is recognised at the point the service is provided.

1.14. Expenses

Operating lease

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

Interest receivable and interest payable

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

1.15. Taxation

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

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

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

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

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

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

Notes (continued)

2 Acquisitions and disposal of businesses

Acquisitions in the prior period

On 18 December 2014, the Group acquired all of the shares of Riviera Tours Limited for £139,284,942. The company is a tour operator. The business contributed revenue of £136,126,000 and profit after tax of £11,015,000 to the revenue and net profit for the year.

Effect of acquisition

The acquisition had the following effect on the Group's assets and liabilities.

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Acquiree's net assets at the acquisition date:			
Tangible fixed assets	370	-	370
Intangible assets Brand name	-	12,310	12,310
Customer relationships	-	28,062	28,062
2015 sales	-	3,948	3,948
Trade and other debtors	5,185	-	5,185
Cash	22,264	-	22,264
Trade and other creditors	(10,859)	-	(10,859)
Deferred tax liabilities	1,480	(8,860)	(7,380)
	<hr/>	<hr/>	<hr/>
Net identifiable assets and liabilities	18,440	35,460	53,900
	<hr/>	<hr/>	<hr/>
Total cost of business combination:			
Consideration paid:			139,285
			<hr/>
Total consideration			139,285
			<hr/>
Goodwill on acquisition			85,385
			<hr/>

Fair value adjustments were made to intangible assets to reflect the value of previously unrecognised brand, customer relationships and order backlog intangible assets. The fair value of the brand has been valued on a relief from royalty method and the customer relationships on a NPV basis. The recognition of the intangible assets resulted in a deferred tax liability of £8,860,000.

3 Turnover

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Rendering of services	136,473	126,225
	<hr/>	<hr/>
Total turnover	136,473	126,225
	<hr/>	<hr/>

Notes (continued)

4 Other operating income

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Sundry receipts	42	134
Surplus on travel insurance	51	35
Insurance receipt	777	-
	<u>870</u>	<u>169</u>

5 Expenses and auditor's remuneration

Auditor's remuneration:

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Audit of these financial statements	40	36
Amounts receivable by the company's auditor and its associates in respect of: Taxation compliance services	<u>11</u>	<u>10</u>

6 Staff numbers and costs

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

	Number of employees Year to 30 Nov 16	Period to 30 Nov 15
Management and administration	27	27
Sales administration	94	85
	<u>121</u>	<u>112</u>

The aggregate payroll costs of these persons were as follows:

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Wages and salaries	3,992	3,416
Social security costs	325	309
Contributions to defined contribution plans	60	92
	<u>4,377</u>	<u>3,817</u>

Notes (continued)

7 Directors' remuneration

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Directors' remuneration	535	357
Company contributions to money purchase pension plans	29	56
	<u>564</u>	<u>413</u>

The aggregate of remuneration of the highest paid director was £271,236 (2015: £208,162) and company pension contributions of £23,333 (2015: £55,417) were made to a money purchase scheme on his behalf.

	Number of directors Year to 30 Nov 16	Period to 30 Nov 15
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	4	2
	<u>4</u>	<u>2</u>

8 Other interest receivable and similar income

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Interest receivable on financial assets at amortised cost	166	158
Total interest receivable and similar income	<u>166</u>	<u>158</u>

9 Interest payable and similar charges

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Interest payable on financial liabilities at amortised cost	5,723	6,326
Net foreign exchange (gain)/loss	(775)	366
Total other interest payable and similar charges	<u>4,948</u>	<u>6,692</u>

Notes (continued)

10 Taxation

Total tax expense recognised in the profit and loss account

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
<i>Current tax</i>		
Current tax on income for the period	1,318	58
Group relief	509	89
	<hr/>	<hr/>
Total current tax	1,827	147
<i>Deferred tax (note 20)</i>		
Origination and reversal of timing differences	(1,617)	(1,857)
	<hr/>	<hr/>
Total tax	210	(1,710)
	<hr/>	<hr/>

Reconciliation of effective tax rate

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Loss for the year	(6,297)	(13,358)
Total tax expense	210	(1,710)
	<hr/>	<hr/>
Loss excluding taxation	(6,087)	(15,068)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 20% (2015: 20.29%)	(1,217)	(3,118)
Non-deductible expenses	1,706	1,862
Foreign tax other	10	-
Adjustment for prior periods	(159)	-
Adjust closing deferred tax to average rate	(687)	(651)
Adjust opening deferred tax to average rate	612	132
Foreign exemption	(55)	-
Deferred tax not recognised	-	65
	<hr/>	<hr/>
Total tax expense included in profit or loss	210	(1,710)
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were 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 2015, and an additional reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future tax charge accordingly.

Notes (continued)

11 Intangible assets and goodwill

<i>Group</i>		Brand name and customer	Development Costs	Total
	Goodwill £000	relationships £000	£000	£000
Cost				
Balance at 1 December 2015	85,385	44,320	-	129,705
Other acquisitions – externally purchased	21	-	631	652
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2016	85,406	44,320	631	130,357
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation and impairment				
Balance at 1 December 2015	8,538	13,536	-	22,074
Amortisation for the year	8,539	7,693	165	16,397
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 November 2016	17,077	21,229	165	38,471
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 November 2016	68,329	23,091	466	91,886
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2015	76,847	30,784	-	107,631
	<hr/>	<hr/>	<hr/>	<hr/>

Amortisation charge

The amortisation charge is recognised in the following line items in the profit and loss account:

	2016 £000	2015 £000
Administrative expenses	16,397	22,074
	<hr/>	<hr/>

Notes (continued)

12 Tangible fixed assets

<i>Group</i>	Fixtures and fittings £000
Cost	
Balance at 1 December 2015	473
Other acquisitions	438
Disposals	(314)
	<hr/>
Balance at 30 November 2016	597
	<hr/>
Depreciation and impairment	
Balance at 1 December 2015	214
Depreciation charge for the year	241
Disposals	(314)
	<hr/>
Balance at 30 November 2016	141
	<hr/>
Net book value	
At 30 November 2016	456
	<hr/>
At 30 November 2015	259
	<hr/>

13 Fixed asset investments

<i>Company</i>	Shares in group undertakings £000
Cost	
At beginning of year	725
	<hr/>
At end of year	725
	<hr/>
Provisions	
At beginning of year	-
Provided in year	-
	<hr/>
At end of year	-
	<hr/>
Net book value	
At 30 November 2016	725
	<hr/>
At 30 November 2015	725
	<hr/>

Notes (continued)

13 Fixed asset investments (continued)

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows.

	Country of incorporation	Principal activity	Class	Group	Percentage of shares held Company
<i>Subsidiary undertakings</i>					
RTL Bidco Limited	England and Wales	Holding	Ordinary	100%	100%
Riviera Tours Limited	England and Wales	Tour operator	Ordinary	100%	-
Riviera Tours (Transport) Limited	England and Wales	Tour operator	Ordinary	100%	-

14 Debtors

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade debtors	395	146	-	-
Amounts owed by group undertakings	-	-	56,221	56,221
VAT	1,355	1,125	-	-
Prepayments and accrued income	8,556	4,676	-	-
Other financial assets (note 19)	7,633	-	-	-
	<u>17,939</u>	<u>5,947</u>	<u>56,221</u>	<u>56,221</u>
Due within one year	17,939	5,947	56,221	56,221
Due after more than one year	-	-	-	-
	<u>17,939</u>	<u>5,947</u>	<u>56,221</u>	<u>56,221</u>

15 Cash and cash equivalents/ bank overdrafts

	2016 £000	2015 £000
Cash at bank and in hand	23,596	18,998
Restricted bank balances	11,000	11,000
	<u>34,596</u>	<u>29,998</u>
Cash and cash equivalents per cash flow statements	34,596	29,998

Restricted bank balances comprises cash deposits which have restrictions governing their use and are classified as current or non-current dependent on the remaining length of the restriction, which is determined from contractual terms governing the restriction. Cash at bank and in hand comprise cash in hand, cash held in bank accounts with no access restrictions and bank or money market deposits repayable on demand.

Notes (continued)

16 Creditors: amounts falling due within one year

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Trade creditors	4,545	3,087	-	-
Amounts owed to group undertakings	78,825	78,289	56,221	56,221
Taxation and social security	182	300	-	-
Accruals and deferred income	12,886	8,456	-	-
Other financial liabilities	-	2,859	-	-
	<u>96,438</u>	<u>92,991</u>	<u>56,221</u>	<u>56,221</u>

17 Creditors: amounts falling after more than one year

	Group	
	2016 £000	2015 £000
Bank loans (note 18)	55,830	60,811
	<u>55,830</u>	<u>60,811</u>

18 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group	
	2016 £000	2015 £000
Creditors falling due after more than one year		
Secured bank loans	55,830	60,811
	<u>55,830</u>	<u>60,811</u>

The bank loan is due in full on 18 December 2021.

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	2016 £000	2015 £000
Secured bank loan	GBP	10.21%	2021	55,830	60,811
				<u>55,830</u>	<u>60,811</u>

Notes (continued)

19 Other financial (liabilities)/assets

	Group	
	2016	2015
	£000	£000
Amounts falling due within one year		
Financial assets/(liabilities) held for trading (including derivatives)	7,633	(2,859)
	<u>7,633</u>	<u>(2,859)</u>

20 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	£000	£000	£000	£000	£000	£000
Timing differences	(10)	(547)	-	-	(10)	(547)
Accelerated capital allowances	-	-	1,274	-	1,274	-
On business combinations	-	-	3,925	5,541	3,925	5,541
	<u>(10)</u>	<u>(547)</u>	<u>5,199</u>	<u>5,541</u>	<u>5,189</u>	<u>4,994</u>
Tax liabilities/(assets)	(10)	(547)	5,199	5,541	5,189	4,994
Net of tax liabilities/(assets)	-	-	-	-	-	-
	<u>(10)</u>	<u>(547)</u>	<u>5,199</u>	<u>5,541</u>	<u>5,189</u>	<u>4,994</u>
Net tax liabilities	<u>(10)</u>	<u>(547)</u>	<u>5,199</u>	<u>5,541</u>	<u>5,189</u>	<u>4,994</u>

21 Employee benefits

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £60,139 (2015:£92,400)

Notes (continued)

22 Capital and reserves

Share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
725,000 ordinary shares of £0.01 each	7	7
	<hr/>	<hr/>
	7	7
	<hr/>	<hr/>
Shares classified in shareholders' funds	7	7
	<hr/>	<hr/>
	7	7
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

The balance classified as share premium relates to the aggregate net proceeds less nominal value of shares on issue of the Company's equity share capital.

23 Financial instruments

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2016 £000	2015 £000
Assets measured at fair value through profit or loss	7,633	-
Assets measured at amortised cost	34,996	30,144
Assets measured at cost less impairment	-	-
Liabilities measured at fair value through profit or loss	-	(2,859)
Liabilities measured at amortised cost	(154,599)	(149,454)
	<hr/>	<hr/>

(b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is based on their marked to market price at the year end.

Notes (continued)

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2016 £000	2015 £000
Less than one year	190	183
Between one and five years	732	726
More than five years	1,440	1,620
	2,362	2,529

During the year £186,475 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £182,718).

25 Related parties

Group

Identity of related parties with which the Group has transacted

As the Company was a wholly owned subsidiary of RTL Topco Limited at 30 November 2016, the Company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group headed by RTL Topco Limited.

26 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of RTL Midco Limited. The ultimate controlling party is Phoenix Equity Partners 2010 LP and Phoenix Equity Partners 2010 GP LP, by virtue of their majority share of the voting rights in the ultimate parent company RTL Topco Limited.

The largest group in which the results of the Company are consolidated is that headed by RTL Topco Limited, incorporated in England and Wales. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Cardiff, CF14 3UZ.

27 Accounting estimates and judgements

The preparation of consolidated financial statements requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Impairment of goodwill and brands: The Group is required to test annually, or as triggering events occur, whether the goodwill or brands are subject to impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows.

Notes (continued)

28 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Group's and Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 November 2016 and the comparative information presented in these financial statements for the year ended 30 November 2015.

Group

In preparing its FRS 102 balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Group's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of loss and equity from old GAAP to FRS 102

Group

	Note	Profit for the year ended 30 November 2015 £000	Equity as at 30 November 2015 £000	Equity as at 27 November 2014 £000
Amount under old GAAP		(18,666)	(17,941)	-
Holiday pay account	a	-	(100)	-
Bank loan interest	b	(135)	(135)	-
Amortisation of goodwill	c	15,632	15,732	-
Amortisation of brand name and customer relationships	d	(13,536)	(13,536)	-
Fair value of currency hedges	e	-	(2,859)	-
Deferred tax	f	3,347	3,877	-
Amount under FRS 102		(13,358)	(14,962)	-

Notes to the reconciliation of loss

- a) The Group has recognised a holiday pay accrual of £100,000 on transition at 1 December 2014.
- b) Bank loan: Re-presented to amortised cost using effective interest rate method to calculate charge for the year.
- c) The Group has recognised amortisation on the revised goodwill balance.
- d) Goodwill was attributed between brand name and customer relationships as part of the fair values attributed to the intangibles created on acquisition.
- e) The forward contracts have been marked to market based on their fair value at the year end.
- f) The Group has recognised the deferred tax in the period ended 30 November 2015 as a result of the FRS 102 adjustments.

Company

In preparing the FRS 102 balance sheet, the Company has no adjustments to report.