

RTL Midco Limited

**Annual report and financial
statements**

Registered number 09330708

30 November 2016



Contents

Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the annual report and the financial statements	4
Independent auditor's report to the members of RTL Midco Limited	5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

Company information

Directors:

D Clemson
K Pollock

Registered office:

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

Registered number:

09330708 (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 Company has performed in line with the Directors' expectations during the current year.

The loss for the year amounted to £7,994,000 (2015: loss of £7,131,000).

Principal risks and uncertainties

Discussion of these risks in the context of the Group as a whole, and also a description of the Group's financial risk management objectives and policies, is in the Directors' Report of RTL Topco Limited, which does not form a part of this report.

Key performance indicators (KPI's)

Given the nature of the Company's activities the Directors believe that analysis of KPI's for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

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 for the year ended 30 November 2016.

Dividends

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

Directors

The directors who have held office during the year and to the date of this report are as follows:

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

Both the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

Statement as to disclosure of information to auditors

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 company's auditors are 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 company's auditors are aware of that information.

Auditors

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

On behalf of the board:



David Clemson

Director

Date: 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



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

We have audited the financial statements of RTL Midco Limited for the year ended 30 November 2016 set out on pages 6 to 17. 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 company's affairs as at 30 November 2016 and of its 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, 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.

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

Profit and loss account
for year ended 30 November 2016

	<i>Note</i>	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Administrative expenses		(16)	-
Operating loss		(16)	-
Interest payable and similar charges	5	(8,567)	(7,456)
Loss on ordinary activities before taxation		(8,583)	(7,456)
Tax credit on loss on ordinary activities	6	589	325
Loss for the financial year/period		(7,994)	(7,131)

In both the current year and prior period, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current year or prior period other than the result shown above. Accordingly, no other comprehensive income is presented.

Balance sheet
at 30 November 2016

	<i>Note</i>	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Investments	7		725		725
Current assets					
Debtors (including £nil (2015: £nil) due after more than one year)	8	79,098		78,525	
Net current assets			79,098		78,525
Total assets less current liabilities			79,823		79,250
Creditors: amounts falling due after more than one year	9		(94,223)		(85,656)
Net liabilities			(14,400)		(6,406)
Capital and reserves					
Called up share capital	12		7		7
Share premium account			718		718
Profit and loss account			(15,125)		(7,131)
Shareholders' deficit			(14,400)		(6,406)

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: 09330708

Statement of changes in equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance on incorporation at 27 November 2014	-	-	-	-
Total comprehensive income for the period				
Loss	-	-	(7,131)	(7,131)
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	(7,131)	(6,406)
	Called up share capital £000	Share Premium Account £000	Profit and loss account £000	Total Equity £000
Balance at 1 December 2015	7	718	(7,131)	(6,406)
Total comprehensive income for the period				
Loss	-	-	(7,994)	(7,994)
Balance at 30 November 2016	7	718	(15,125)	(14,400)

Notes

(forming part of the financial statements)

1 Accounting policies

RTL Midco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. 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 Company has made no measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 15.

The Company's parent undertaking, RTL Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of RTL Topco Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House. 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 RTL 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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on the going concern basis, under the historical cost convention, notwithstanding net liabilities of £14,400,000 at 30 November 2016 as a result of intercompany loans. 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. Foreign currency

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

1.4. Classification of financial instruments issued by the Company

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

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's 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 company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

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

Interest-bearing borrowings classified as basic financial instruments

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

Investments in subsidiaries

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

Notes (continued)

1 Accounting policies (continued)

1.6. Impairment

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.

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.

Non-financial assets

The carrying amounts of the Company's non-financial 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").

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.

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.

1.7. Expenses

Interest payable

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

1.8. 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.

Notes (continued)

1 Accounting policies (continued)

1.8. Taxation (continued)

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 relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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.

2 Auditor's remuneration

	Year to 30 Nov 16 £000	Period to 30 Nov 16 £000
Audit of these financial statements	2	2

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, RTL Topco Limited.

3 Staff numbers and costs

The Company has no employees in the current year or prior period.

4 Directors' remuneration

During the year the directors were remunerated by Riviera Tours Limited. Details of their total remuneration are as follows:

	Year to 30 Nov 16 £000	Period to 30 Nov 15 £000
Directors' remuneration	421	338
Company contributions to money purchase pension plans	24	56

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	2	2

Notes (continued)

5 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	8,567	7,456
Total other interest payable and similar charges	<u>8,567</u>	<u>7,456</u>

6 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 credit/(charge):</i>		
Current tax on income for the period	509	89
Adjustments in respect of prior periods	(89)	-
Total current tax	<u>420</u>	<u>89</u>
<i>Deferred tax credit/(charge) (note 11)</i>		
Origination and reversal of timing differences	156	236
Change in tax rate	13	-
Total deferred tax	<u>169</u>	<u>236</u>
Total tax credit	<u>589</u>	<u>325</u>

Reconciliation of effective tax rate

	Year to 30 Nov 16 £000	Period to 30 Nov 16 £000
Profit for the year	(7,994)	(7,131)
Total tax expense	(589)	(325)
Profit excluding taxation	<u>(8,583)</u>	<u>(7,456)</u>
Tax using the UK corporation tax rate of 20% (2015: 20.3%)	(1,716)	(1,514)
Non-deductible expenses	1,043	1,158
Adjustment for tax change in respect of prior period	89	-
Adjust closing tax to average rate	21	31
Adjust opening tax to average rate	(26)	-
Total tax credit included in profit or loss	<u>(589)</u>	<u>(325)</u>

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)

7 Fixed asset investments

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

The Company has the following investments in subsidiaries:

	Country of incorporation	Class of shares held	Ownership 2016 %	Ownership 2015 %
RTL Cleanco Limited	England and Wales	Ordinary	100%	100%
RTL Bidco Limited *	England and Wales	Ordinary	100%	100%
Riviera Tours Limited *	England and Wales	Ordinary	100%	100%
Riviera Tours (Transport) Limited *	England and Wales	Ordinary	100%	100%

* Indirect holding

8 Debtors

	2016 £000	2015 £000
Amounts owed by group undertakings	78,693	78,289
Deferred tax assets (note 11)	405	236
	79,098	78,525
Due within one year	79,098	78,525
Due after more than one year	-	-
	79,098	78,525

Notes (continued)

9 Creditors: amounts falling after more than one year

	2016 £000	2015 £000
Shareholder loan notes	94,223	85,656

10 Interest-bearing loans and borrowings

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

	2016 £000	2015 £000
Creditors falling due more than one year		
Shareholder loan notes	94,223	85,656

The unsecured loan notes are due to be repaid in full on 18 December 2024 and have interest of 10%.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2016 £000	2015 £000
Shareholder loan notes	GBP	10%	2024	Maturity	78,200	78,200
Accrued loan note interest	GBP	10%	2024	Maturity	16,023	7,456

11 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016 £000	2015 £000	2016 £000	2015 £000	2016 £000	2015 £000
Non trade financial transactions	405	236	-	-	405	236
Net tax assets	405	236	-	-	405	236

Notes (continued)

12 Capital and reserves

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

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.

13 Related parties

Identity of related parties with which the Company has transacted

Phoenix Equity Partners 2010 LP and 2010 GP LP

Controlling shareholder of RTL Topco Limited the ultimate parent company.

Interest payable on the loan notes in the year totalled £5,830,000. Interest is payable at the rate of 10% per annum. The loan notes outstanding at the year end totalled £64,125,000.

	2016 £000	2015 £000
Amount due to related party at the balance sheet date	64,125	58,295
	<u>64,125</u>	<u>58,295</u>

D Clemson

Director

	2016 £000	2015 £000
Amount due to related party at the balance sheet date	2,879	2,617
	<u>2,879</u>	<u>2,617</u>

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of RTL Topco 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.

Notes (continued)

15 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the 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 period ended 30 November 2015.

In preparing its FRS 102 balance sheet, the Company has made no adjustments to the amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).

Reconciliation of loss and equity from old GAAP to FRS 102

	Loss for the year ended 30 November 2015 £000	Equity as at 30 November 2015 £000	Equity as at 1 December 2014 £000
Amount under old GAAP	(7,131)	(6,406)	-
Amount under FRS 102	(7,131)	(6,406)	-