

Trainline.com Limited
Annual report and financial statements for the year ended
4 March 2017
Registered number: 03846791

WEDNESDAY



A6JPZF3K

A07

22/11/2017

#47

COMPANIES HOUSE

Annual report and financial statements

Contents	Page
Strategic report	3
Director's report	5
Statement of director's responsibilities	7
Independent auditor report to the members of Trainline.com	8
Profit and Loss Account	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the financial statements	13

Strategic Report

The directors present their annual report and the audited financial statements for the year ended 4 March 2017.

Principal activity

The Company's principal activity during the period was that of rail ticket retail, fulfilment, distribution and information service provision on behalf of Train Operating Companies (TOCs) and rail customers with ancillary services being offered in conjunction with the core rail journey.

Fair Review of the business

Key Performance Indicators

Rail ticket sales totalled £2,133m during the year (2016: £1,938m), reflecting an increase of 10.1% year on year. Company turnover of £146.7m in the current year is up £12.2m on the prior year.

The retained profit for the year of £30.5m (2016: £32.9m) has been taken to reserves.

Development and performance of the business

Sales through the Trainline.com website and mobile apps continue to grow driven by a significant investment in marketing and product enhancement. This channel is showing sales growth of 17.7% (2016: 23.9%).

Sales through the B2B channel grew at 2.6% (2016: 16.7%), and sales through Train Operator branded websites increased by 3.4% (2016: 18.3%) during the year.

Principal risks and uncertainties

The Company retails rail tickets under a licence granted by the Association of Train Operating Companies. The licence requires the Company to comply with certain retailing standards and to act in an impartial and independent manner, failure to do so could result in the removal of the licence. A full time Compliance and Risk Management Officer monitors our performance in order to ensure that the Company is in compliance with its licence requirements.

The Company is dependent on an operationally safe and performing UK rail industry and on rail industry systems. A significant and prolonged disruption to passenger rail services or systems would have an adverse impact on the future results of the Company.

The Company ensures significant internal controls and governance procedures are in place to mitigate credit and price risk from both customers and suppliers.

Strategic report *(continued)*

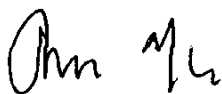
Being an online retailer, there is significant exposure to cybercrime, including and not limited to, identity fraud, identity theft, phishing and hacking. The Company has developed world class fraud management systems and have dedicated teams to identify and ensure effectiveness of fraud risk assessments and solutions.

As an e-commerce business the Company is exposed to risks in relation to our IT infrastructure systems and security. The Company has strict IT security policies and dedicated teams monitoring and supporting IT security. Daily back-ups are performed and regular updates and control checks are in place to address any risks to the Company's IT infrastructure and e-commerce sites.

Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by management based on prior experience and their assessment of the current economic environment. The Company also has trade credit insurance which covers the majority of trade debtors.

The exit of the UK from the European Union and current political uncertainties create risks which could negatively impact the Company's operations and results in the medium term. The Company is actively engaged with British and other EU/ national governments and institutions, and HM Opposition in order to attempt to neutralise or minimise these potential negative impacts on its business, staff, customers and business partners, while simultaneously prudently scenario-planning.

By order of the board



Shaun McCabe
Finance Director

120 Holborn
LONDON
EC1N 2TD

2017

Directors Report

Directors

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

Clare Gilmartin	
Jonathan Michael Mitchell	(resigned 24 June 2016)
Mark Brooker	(appointed 16 January 2017)
Mark Holt	(appointed 25 April 2016)
Robin Hancock	(appointed 25 April 2016)
Shaun McCabe	(appointed 30 September 2016)

Dividends

The directors declared and paid a dividend of £nil in the year (2016: £53.2m).

Employees

In considering applications for employment from disabled people, the Company seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the jobs for which he or she has applied. Employees who become temporarily or permanently disabled are given individual consideration and where possible, equal opportunities for training, career development and promotions.

An Employee Consultative Group ("ECG") is in place comprising elected employee representatives. Their meetings provide the framework for the Company's consultative process and representatives provide valuable input on a wide range of issues. Within the bounds of commercial confidentiality, information is disseminated to staff and to the ECG about matters that affect the progress of the Company and are of interest and concern to them as employees.

Environmental Policy

The Company recognises that its day-to-day operations and other responsibilities can impact upon the environment in many ways. We are committed to promoting good environmental performance, reducing pollution, actively recycling and minimising, so far as is reasonably practicable, adverse environmental impact. We also recognise the overall positive impact on the environment made by rail travel when compared to other travel modes, resulting in less pollution. We will encourage growth in rail travel by improving our retailing and information services so as to make buying and selling rail travel easy.

To support the above policy, the company will work with employees, customers and suppliers to identify practicable ways of reducing its environmental impact.

Political and Charitable Donations

The Company made donations of £14,624 to charitable organisations during the year (2016: £5,158) and £nil (2016: £nil) to political organisations.

Research and Development

During the year £11.9m (2016: £10.0m) of developments costs were capitalised as intangible fixed assets. These costs arise from work in relation to development of the Trainline.com website and mobile apps.

Director's Indemnity Insurance

The Group has taken out Directors' indemnity insurance on the directors' behalf.

Directors Report (continued)

Disclosure of Information to the 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. 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.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out on the previous page.

The Company participates in the Group's centralised treasury arrangements and therefore shares banking arrangements with its parent and fellow subsidiaries.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Victoria Investments Finco Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for a minimum of 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the Board



Neil Murrin
Company Secretary

120 Holborn
LONDON
EC1N 2TD

19 July 2017

Statement of directors' responsibilities

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 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 Trainline.com Limited

We have audited the financial statements of Trainline.com for the 53 weeks ended 4 March 2017 set out on pages 9 to 24. 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 101 *Reduced Disclosure Framework*.

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 7, 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 4 March 2017 and of its profit for the period 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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.



Jonathan Downer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

21st July 2017

Profit and Loss Account

For the 52 weeks ended 4 March 2017

	Notes	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Total Net Ticket Sales		2,132,699	1,938,116
Revenue	2	146,748	134,564
Cost of sales		(53,692)	(45,824)
Gross profit		93,056	88,740
Administrative expenses		(66,919)	(61,375)
EBITDA before exceptional items		36,393	38,525
Exceptional items	4	(1,123)	(1,157)
Depreciation and amortisation	10,11	(9,133)	(10,003)
Operating profit		26,137	27,365
Finance income	7	11,884	9,994
Finance costs	8	(5,380)	(4,863)
Net finance costs		6,504	5,131
Profit before tax		32,641	32,496
Income tax (expense)/credit	9	(2,178)	435
Profit for financial year		30,463	32,931

The notes on pages 13 to 24 form an integral part of this financial information.

Other Comprehensive Income

For the 52 weeks ended 4 March 2017

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Profit for the financial year	<u>30,463</u>	<u>32,931</u>
Other comprehensive income		
<i>Other comprehensive income not to be reclassified in subsequent periods:</i>	-	-
Total comprehensive income	<u><u>30,463</u></u>	<u><u>32,931</u></u>

The notes on pages 13 to 24 form an integral part of this financial information

Balance Sheet

At 4 March 2017

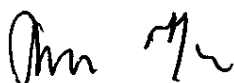
	Notes	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Fixed assets			
<i>Intangible assets</i>			
Deferred tax asset	9	-	3,510
Other intangibles	10	20,880	16,421
<i>Tangible assets</i>			
Property, plant and equipment	11	4,656	2,035
		25,536	21,966
Current Assets			
Inventories	12	32	31
Trade and other receivables	13	179,747	154,440
Cash and cash equivalents		68,388	44,408
		248,167	198,879
Creditors			
<i>Amounts falling due within one year</i>	14	(186,650)	(164,309)
Net current assets		61,517	34,570
Total assets less current liabilities		87,053	56,536
Provision for liabilities	15	(432)	(378)
Net assets		86,621	56,158
Equity			
Share capital	16	1,131	1,131
Retained earnings	16	85,490	55,027
		86,621	56,158

The notes on pages 13 to 24 form an integral part of this financial information.

These financial statements were approved by the Board of Directors on 21 JULY 2017 and were signed on its behalf by:

Shaun McCabe

Director



Company registration number: 03846791

Statement of changes in Equity

As at 4 March 2017

	Notes	Share capital	Retained earnings	Total equity
		£'000	£'000	£'000
Balance at 28 February 2015		1,131	75,296	76,427
Total comprehensive income for period		-	32,931	32,931
Dividends paid		-	(53,200)	(53,200)
Balance as at 5 March 2016		1,131	55,027	56,158
Total comprehensive income for period		-	30,463	30,463
Dividends paid		-	-	-
Balance as at 4 March 2017		1,131	85,490	86,621

The notes on pages 13 to 24 form an integral part of this financial information.

Notes (forming part of the financial statements)

1. Accounting Policies

Trainline.com ('the Company') is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Victoria Investments Finco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Victoria Investments Finco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets, intangible assets;
- an additional balance sheet for the beginning of the earliest comparative period;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.
- related party transactions

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 except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through the profit or loss.

1.2 Going concern

The financial information has been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for a minimum of twelve months. The Company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current bank facilities. The Company forecasts to meet all banking covenant requirements for the next 12 months.

Notes (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 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.

This financial information is presented in sterling. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

1.4 Non-derivative financial instruments

Non derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost. Trade and other receivables are presented in current assets in the balance sheet, except for those with maturities greater than one year after the reporting date.

Trade and other trade creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost.

1.5 Tangible fixed assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives of property, plant and equipment are as follows:

Plant and equipment	3 years
Leasehold improvements	10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes (continued)

1.6 Intangible assets

Website development costs

Expenditure on research activities is recognised in profit or loss as incurred.

External and internal development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Internal development expenditure is managed by the development team and the amount capitalised including direct costs monitored through time charged to projects.

Other intangible assets

Other intangible assets that are acquired by the Company have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives are as follows:

Software development	3 – 7 years
----------------------	-------------

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1.7 Stocks

Inventories are measured at the lower of cost and net realisable value. In determining the cost of goods purchased for resale, the weighted average purchase price is used.

Notes (continued)

1.8 Impairment excluding stocks and deferred tax assets

Financial assets

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. 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, other than investment property, stocks and 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.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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.

1.10 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

1.11 Turnover

Net ticket sales

Net ticket sales represents the gross value of ticket sales to customers, less the value of refunds issued, during the accounting period excluding Value Added Tax ('VAT') where the Company acts as an agent in these transactions.

Ticket revenue

Revenue primarily comprises amounts earned from the sale of rail tickets in the form of both commission earned from the rail industry on ticket sales and service charges billed directly to the customer. Revenue associated with ticket sales is recognised at the point of sale. In addition, ancillary services are provided to customers to supplement its rail products, these are recognised at point of sale.

Ticket refunds are liable to an administration fee which is recognised at the time the refund is processed. Any reduction in commission earned as a result of refunds is recognised at the same time.

Notes (continued)

1.12 Expenses

Costs of sales

Costs of sales include costs in relation to the provision of rail tickets, software services, ancillary services and settlement and fulfilment costs.

Operating Lease payments

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. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and 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 entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

2. Turnover

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
<i>By Activity</i>		
Rail Revenue	129,024	116,710
Other Income	17,724	17,854
Total	146,748	134,564
<i>By Geographical market</i>		
UK	146,748	134,564

3. Expenses and auditor remuneration

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Audit of financial statements	96	95
	96	95

Amounts receivable by the company's auditor and its associates in respect of the audit of financial statements of associated pension schemes is £nil (2016: £nil).

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 ultimate parent, Victoria Investments Finco Limited.

4. Exceptional items

The following exceptional items have been included in administrative expenses:

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Restructuring costs	498	1,157
Software development write off – acquisition related	625	-
	1,123	1,157

Exceptional items in the period totalled £1,122,669.

One off, non-recurring transactions occurred during the year. Restructuring costs were incurred in relation to management reorganisation. Software development costs write off occurred as a result of the Group's acquisition of Capitaine Train SAS.

In 2016, the restructuring costs were incurred in relation to a management reorganisation.

Notes (continued)

5. Staff numbers and costs

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

	Year Ended 4 March 2017	Year Ended 5 March 2016
Selling and operations	88	72
Administration and management	307	284
	395	356

The aggregate payroll costs of these persons were as follows:

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Wages and salaries	23,375	17,371
Social security costs	2,527	1,754
Pension costs	868	638
	26,770	19,763

6. Directors' remuneration

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Aggregate emoluments	1,699	1,804
Group contributions to defined contribution pension schemes	39	28
	1,738	1,833
Retirement benefits are accruing to the following number of directors, under a defined contribution	3	1

The aggregate emoluments of the highest paid director were £805,375 (2016: £1,073,118) and group pension contributions of £nil (2016: £nil) were made on their behalf.

7. Other interest and similar income

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Bank Interest	227	250
Receivable from other group companies	11,657	9,744
Finance Income	11,884	9,994

Notes (continued)

8. Interest payable and similar charges

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Payable to other group companies	5,357	4,863
Other interest expense	23	-
Finance Costs	5,380	4,863

9. Taxation

Recognised in the profit and loss account

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Current tax expense		
Current year	-	-
Adjustment for prior years	(1,332)	330
	(1,332)	330
Deferred tax		
Current year	3,994	(1,111)
Adjustment in respect of prior years	(85)	(48)
Effect of change in tax rates	(399)	394
Total deferred tax	3,510	(765)
Tax expense / (credit)	2,178	(435)

Reconciliation of effective tax rate

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
Profit before tax	32,641	32,496
Profit multiplied by standard rate of corporation tax in the UK of 20.00% (2016: 20.08%)	6,528	6,525
Non-deductible expenses	(1,884)	(852)
Group relief claimed	(5,398)	(6,785)
Amounts not recognised	4,748	-
Effects of other tax	(399)	394
Adjustments in respect of prior year	(1,417)	283
Total tax charge / (credit)	2,178	(435)

Notes (continued)

9. Taxation (continued)

Deferred tax asset

	Other temporary differences £'000	Accelerated tax depreciation £'000	Total £'000
At 5 March 2016	67	3,443	3,510
Current year	(67)	(3,443)	(3,510)
At 4 March 2017	-	-	-

10. Intangible assets

	Software development £'000	Other intangibles* £'000	Total £'000
Cost:			
At 5 March 2016	110,904	768	111,672
Additions	11,875	87	11,962
Disposals			
At 4 March 2017	122,779	855	123,634
Accumulated amortisation and impairment:			
At 5 March 2016	(95,220)	(31)	(95,251)
Amortisation	(7,442)	(61)	(7,503)
At 4 March 2017	(102,662)	(92)	(102,754)
Carrying amounts:			
At 4 March 2017	20,117	763	20,880
At 5 March 2016	15,684	737	16,421

Amortisation

The amortisation of intellectual property and software development is included in other operating expenses.

*Other intangibles are related to domain name acquisitions and associated brand trademark.

Notes (continued)

11. Tangible fixed assets

	Plant and equipment £'000	Leasehold improvements £'000	Total £'000
Cost:			
At 5 March 2016	13,090	1,819	14,909
Additions	1,083	3,168	4,251
Disposals			
At 4 March 2017	14,173	4,987	19,160
Accumulated depreciation and impairment:			
At 5 March 2016	(11,181)	(1,693)	(12,874)
Depreciation	(1,308)	(322)	(1,630)
Disposals			
At 4 March 2017	(12,489)	(2,015)	(14,504)
Carrying amounts:			
At 4 March 2017	1,684	2,972	4,656
At 5 March 2016	1,909	126	2,035

12. Inventories

	4 March 2017 £'000	5 March 2016 £'000
<i>Cost</i>		
Finished goods and goods for resale	32	31

13. Trade and other receivables

	4 March 2017 £'000	5 March 2016 £'000
Trade receivables	32,039	27,380
Other receivables	1,605	1,384
Prepayments and accrued income	3,294	3,191
Corporation tax debtor	2,651	1,319
Amounts due from group undertakings	140,158	121,166
	179,747	154,440

Notes (continued)

14. Creditors: amounts falling due within one year

	4 March 2017 £'000	5 March 2016 £'000
Amounts owed to group undertaking	65,303	56,014
Trade and other payables	99,981	92,637
Accruals and deferred revenue	16,387	10,679
Group tax relief payable	4,979	4,979
	186,650	164,309

15. Provisions

	Dilapidation £'000	Total £'000
As at 5 March 2016	378	378
Provisions made during the year	345	345
Provision used during the year	(291)	(291)
As at 4 March 2017	432	432

The Company provides for the cost of dilapidations in relation to the London head office and Edinburgh office over the minimum life of the lease.

16. Capital and reserves

Share Capital (shares classified in shareholders' funds)

	4 March 2017		5 March 2016	
	Number	£'000	Number	£'000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	1,130,864	1,131	1,130,864	1,131
	1,130,864	1,131	1,130,864	1,131

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 capital £'000	Profit and loss £'000	Total £'000
As at 5 March 2016	1,131	55,027	56,158
Retained profit for the year	-	30,463	30,463
Dividend paid	-	-	-
As at 4 March 2017	1,131	85,490	86,621

Notes (continued)

17. Operating leases

At 4 March 2017, the future minimum lease payments under non-cancellable leases were payable as follows:

	Year Ended 4 March 2017 £'000	Year Ended 5 March 2016 £'000
<i>Plant & Equipment</i>		
Not later than one year	25	21
After one year, but not more than five	32	-
	<u>57</u>	<u>21</u>
<i>Property, Land and Building</i>		
Not later than one year	1,125	291
After one year, but not more than five	2,365	8,646
After five years	14,365	351
	<u>17,855</u>	<u>9,288</u>

The profit and loss expense for the year was £1,769,203.

18. Employee benefits

Defined contribution plans

The Company operates a number of defined contribution plans. The total expense relating to these plans in the current year was £868,007 (2016: £638,272)

19. Capital commitments

The capital commitments at 4 March 2017 are £nil (2016: £nil).

20. Related parties

In accordance with FRS 101, the Company is exempt from the requirement to disclose related party transactions with Victoria Investments Finco Limited and its subsidiary undertakings on the grounds that it is a wholly owned subsidiary of Victoria Investments Finco Limited who prepare the consolidated financial statements of the Group.

21. Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Victoria Investments Finco Limited, which is the ultimate parent company. The address is 120 Holborn London, EC1N 2TD. The ultimate controlling party of the company is KKR and Co. L.P on behalf of the funds under its management. The only group in which the results of the Company are consolidated is Victoria Investments Finco Limited, a company registered in England and Wales. Copies of the group financial statements of Victoria Investments Finco Limited can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.