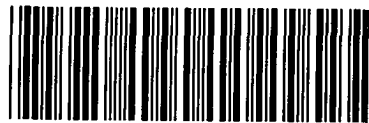


Gapdaemon Limited

**Annual report and financial statements
for the year ended 31 October 2013**

Registered number: 7060052

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Gapdaemon Limited

Annual report and financial statements

for the year ended 31 October 2013

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Gapdaemon Limited

Directors' report for the year ended 31 October 2013

The directors present their annual report together with the audited financial statements of the company for the year ended 31 October 2013.

Principal activities

The principal activity of the company is that of a travel website.

Results

The results of the year are set out on page 5.

Going concern

The company is party to group banking arrangements as part of the Red Poppy (UK) Limited Group ("the group"). Having regard to group cash flow projections and financing facilities available the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

In addition, the directors have received confirmation that amounts owed to group undertakings will not be required to be repaid within a period of at least 12 months from the signing of these financial statements unless the company has the financial resources to do so.

Directors

The directors of the company who served during the year and up to the date of signing the financial statements were:

DP Brown

DJ Horrocks

Qualifying third party indemnity provisions

Following shareholder approval, the company has put in place an indemnity for its directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This was in force during the financial year and also at the date of signing the financial statements.

Gapdaemon Limited

Directors' report for the year ended 31 October 2013 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board



PN Blain

Company secretary

30 October 2014

Gapdaemon Limited

Independent auditors' report to the members of Gapdaemon

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 October 2013 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Gapdaemon comprise:

- the balance sheet as at 31 October 2013;
- the profit and loss account for the year ended 31 October 2013 for the year then ended;
- the statement of accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Gapdaemon Limited

Independent auditors' report to the members of Gapdaemon (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 1, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Michael Jeffrey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

Gapdaemon Limited

Profit and loss account for the year ended 31 October 2013

			10 month
	Note	Year ended 31 October 2013	period ended 31 October 2012
		£'000	£'000
Turnover		-	1
Cost of sales		-	-
Gross profit		-	1
Administrative expenses		(563)	(419)
Loss on ordinary activities before taxation	2	(563)	(418)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year/period	11, 12	(563)	(418)

All amounts relate to continuing operations.

The company has no recognised gains or losses other than those included in the results above, and therefore no statement of total recognised gains and losses has been prepared.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year/period stated above and their historical cost equivalents.

Gapdaemon Limited

Balance sheet as at 31 October 2013

	Note	2013	2012
		£'000	£'000
Fixed assets			
Intangible assets	5	-	537
Tangible assets	6	-	-
		-	537
Current assets			
Debtors	7	1	4
Cash at bank and in hand		4	-
		5	4
Creditors: amounts falling due within one year	8	(821)	(794)
Net current liabilities		(816)	(790)
Net liabilities		(816)	(253)
Capital and reserves			
Called up share capital	10	31	31
Share premium	11	994	994
Profit and loss account	11	(1,841)	(1,278)
Total shareholders' deficit	12	(816)	(253)

The financial statements on pages 5 to 14 were approved by the board of directors on 30 October 2014 and are signed on its behalf by:



DJ Horrocks
Director

Gapdaemon Limited
Registered number: 7060052

Gapdaemon Limited

Statement of accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover represents the receipts from the provision of travel website facilities, exclusive of value added tax, within the United Kingdom.

Going concern

The company is party to group banking arrangements as part of the Red Poppy (UK) Limited Group ("the group"). Having regard to group cash flow projections and financing facilities available the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

In addition, the directors have received confirmation that amounts owed to group undertakings will not be required to be repaid within a period of at least 12 months from the signing of these financial statements unless the company has the financial resources to do so.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that results in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on taxation rates and laws substantively enacted at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation on the website development will be charged once it is fully in use. Depreciation on other tangible fixed assets is calculated to write off the cost of the assets by equal annual instalments over their estimated useful lives, which are considered to be as follows:

Plant and machinery - 33% on cost and 25% reducing balance

Gapdaemon Limited

Statement of accounting policies (continued)

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1(revised 1996) "cash flow statements" to prepare a cash flow statement as it is a wholly owned subsidiary of Red Poppy (UK) Limited and its cash flows are included within the consolidated financial statements of that company, which are publicly available.

Gapdaemon Limited

Notes to the financial statements for the year ended 31 October 2013

1 Turnover

The directors of the company consider that the company has one geographical and business segment and therefore is not required to produce additional segmental disclosure. All the activities of the company fall into the principal activity as stated within the directors' report and the activities arise wholly in the United Kingdom.

2 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is arrived at after charging:

	2013	2012
	£'000	£'000
Depreciation	-	2

The audit fee in the current year has been borne by the parent company.

3 Staff costs

Staff costs comprise:

	2013	2012
	£'000	£'000
Wages and salaries	-	93
Social security costs	-	7
	-	100

The average monthly number of employees employed by the company in the provision of internet services during the year was 2 (2012: 3), including directors.

Directors emoluments for their services to the company totalled £nil (2012: £33,000)

Gapdaemon Limited

Notes to the financial statements for the year ended 31 October 2013 (continued)

4 Tax on loss on ordinary activities

(a) Analysis of tax credit in the year

No tax is payable or receivable for the year (2012: £nil)

(b) Factors affect tax charge for the year

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.41 % (2012: 24.6%). The differences are explained below:

	2013	2012
	£'000	£'000
Loss on ordinary activities before taxation	(563)	(418)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.41% (2012: 24.6%)	(132)	(103)
Effects of:		
Group relief not paid for	-	10
Trading losses carried forward	132	92
Capital allowances in excess of depreciation	-	1
Current tax charge for the year	132	-

(c) Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 23.41%.

In addition to the changes in rates of corporation tax disclosed above, further changes to the UK Corporation tax system were announced in the Finance Act 2013, such that there will be additional reductions to the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These were substantively enacted for accounting purposes on 2 Jul 2013, before the balance sheet date, and a deferred tax rate of 20% is therefore included in the financial statements.

Gapdaemon Limited

Notes to the financial statements for the year ended 31 October 2013 (continued)

5 Intangible assets

	Website development £'000
Cost	
At 1 November 2012 and 31 October 2013	537
Accumulated provision	
At 1 November 2012	-
Charge for the year	537
At 31 October 2013	537
Net book amount	
At 31 October 2013	-
At 31 October 2012	537

6 Tangible assets

	Plant and machinery £'000
Cost	
At 1 November and 31 October 2013	4
Accumulated depreciation	
At 1 November and 31 October 2013	4
Net book amount	
At 31 October 2013	-
At 31 October 2012	-

Gapdaemon Limited

7 Debtors

	2013	2012
	£'000	£'000
Amounts owed by related parties	1	1
Other debtors	-	3
	1	4

Amounts owed by related parties are unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Trade creditors	-	4
Amounts owed to group undertakings	820	790
Taxation and social security	1	-
	821	794

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9 Provisions for liabilities

	2013	2012
	£'000	£'000
The unprovided deferred taxation is as follows:		
Losses	86	86

Gapdaemon Limited

Notes to the financial statements for the year ended 31 October 2013 (continued)

10 Called up share capital

	2013	2012
	£'000	£'000
Allotted and fully paid		
3,122,501 ordinary shares of 1p each	31	31

11 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 November 2012	994	(1,278)
Loss for the financial year	-	(563)
At 31 October 2013	994	(1,841)

12 Reconciliation of movements in shareholders' deficit

	2013	2012
	£'000	£'000
Loss for the financial year	(563)	(418)
Opening shareholders' deficit	(253)	165
Closing shareholders' deficit	(816)	(253)

Gapdaemon Limited

Notes to the financial statements for the year ended 31 October 2013 (continued)

13 Ultimate parent undertaking

The immediate parent undertaking is Red Poppy (UK) Limited, a company registered in England and Wales. The ultimate parent undertaking is Red Poppy (Gibraltar) Limited, a company registered in Gibraltar. Red Poppy (UK) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 October 2013 and Red Poppy (Gibraltar) Limited the parent company of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Red Poppy (UK) Limited can be obtained from the Company Secretary, 1A Dukesway Court, Team Valley, Gateshead NE11 0PJ and those of Red Poppy (Gibraltar) Limited from Suite 15 Watergardens 3, PO Box 1105, Gibraltar.

The ultimate controlling party is P Noble.

14 Related party transactions

Transactions with other Red Poppy (Gibraltar) Limited group companies are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "related party disclosures", as the company is a wholly owned subsidiary of Red Poppy (Gibraltar) Limited.