

Company Registration No. 08900618
(England and Wales)

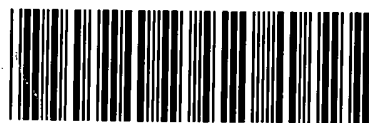
Jac Travel Group Acquisitions Limited

Annual Report and Audited Financial
Statements

For the 10 month period ended

31 August 2017

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Jac Travel Group Acquisitions Limited

Annual report and financial statements For the 10 month period ended 31 August 2017

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Jac Travel Group Acquisitions Limited

Annual report and financial statements For the 10 month period ended 31 August 2017

Company information

Directors

Shelley Lynne Earhart Beasley
Peter Harold Clements
John Guscic
Nigel Peter Horne
Christopher Montgomery
Stuart Edward Nassos
Marco Torrente

Company Number

08900618

Registered Office

8 Holmes Road
Kentish Town
London
England
NW5 3AB

Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Jac Travel Group Acquisitions Limited

Strategic report

The directors present their strategic report on the affairs of Jac Travel Group Acquisitions Limited for the 10 month period ended 31 August 2017. The comparative period is for the year ended 31 October 2016.

Acquisition by Webjet Limited

Jac Travel Group Acquisitions Limited became a subsidiary of Webjet Limited ("Webjet") on 31 August 2017, when 100% of the shares in its parent company Jac Travel Group (Holdings) Limited were acquired by a subsidiary of Webjet. Webjet has a 30 June financial year end. In order to align accounting periods, the financial period end of the Company was initially changed to 31 August 2017, the date of acquisition. The next period end will be 30 June 2018, and annually thereafter.

Webjet is one of the top 200 largest companies listed on the Australian Stock Exchange, and is a digital travel business spanning both global consumer markets (B2C) and wholesale markets (B2B).

The directors consider that the acquisition of JacTravel (Jac Travel Group (Holdings) Limited) by Webjet will be to the benefit of both companies. Webjet is a successful, financially strong business with a proven management team.

At the time of the Webjet acquisition, the Group fully repaid the outstanding balance of the bank debt amounting to £84.5m and interest accrued of £5.7m.

Review of the business

Trading

The Company's principal activity is that of a holding company. Refer to the Profit and loss account on page 11 for the Company's performance.

The Company, through its subsidiary undertakings, carries on a principal activity of a specialist provider of travel services, including online hotel bookings and inbound group tours.

Outlook

The Company's parent undertaking's, Jac Travel Group (Holdings) Limited, performance since 31 August 2017 been broadly in line with expectations. The performance of the Company's investments for the period has been in line with expectations.

Key performance indicators (KPIs)

The directors of Jac Travel Group (Holdings) Limited manage the Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Jac Travel Group Acquisitions Limited. The development, performance and position of Jac Travel Group (Holdings) Limited, which includes the company is discussed in the Strategic Report to shareholders in the Group's Annual Report which does not form part of this report.

Going concern

The Company had net liabilities of £52,254,000 (31 October 2016: £36,734,000) at the balance date. The ultimate parent company, Webjet Limited, has confirmed in writing their continued support should the Company be unable to meet its obligations.

The directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis in preparing the annual financial statements.

Management of the Group has prepared liquidity forecasts for the purpose of the going concern review. These forecasts have been reviewed by the directors together with the underlying assumptions which the Board agreed as reasonable. The forecasts show that the Group will comply with financial covenants throughout the forecast period, with appropriate headroom. The forecasts also show liquidity headroom through the review period.

Jac Travel Group Acquisitions Limited

Strategic report (continued)

Going concern (continued)

If there were circumstances in the future in which a liquidity challenge looked possible, management have a number of mitigating actions available to them, including phasing of capital expenditure, working capital management and curtailment of discretionary expenditure.

After making enquires, including reviewing the forecasts, sensitivities, mitigating actions and facilities available (as described in note 9), the directors have concluded that they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing the consolidated financial statements for the Group. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Principal risks and uncertainties

The Company's activities expose it to a number of risks and uncertainties including credit risk, cash flow risk and liquidity risk. The use of financial instruments is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial instruments to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company uses foreign exchange forward contracts and interest rate cap contracts to hedge these exposures when appropriate. The Company also seeks through its cash management practices to maximise the use of natural hedges as a result of the balance of its foreign currency cash inflows and outflows.

Credit risk

The Company's principal financial assets are bank balances and cash, other receivables and investments.

The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with the full amount receivable being balances with intergroup balances.

Financial Instrument Risks

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Interest rate risk

Interest rate risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with its financial liabilities due to variable interest rates. The Company uses interest rate cap contracts as appropriate to manage the Company's exposure to interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities due to the unavailability of sufficient cash funds. The Company aims to mitigate liquidity risk by managing cash generation of its operations, applying cash collection targets throughout the Company. The Company also manages liquidity risk via revolving credit facilities and long term debt.

Foreign currency exchange rate risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities due to changes in foreign currencies within the entity trades. The Company uses foreign currency forward contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any expected inflows and outflows in specified material foreign currencies.

Jac Travel Group Acquisitions Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

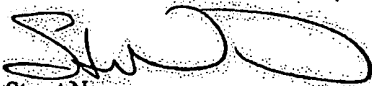
United Kingdom exit from the European Union risk

The directors continue to monitor developments in relation to the United Kingdom's future exit from the European Union, and have provided input directly to Her Majesty's Government. Future potential restrictions on the movement of people could affect the level of travel between the Group's key source and destination markets, as well as affecting the Group's ability to employ individuals with required skills including languages. Future changes in regulations and tax law following the UK's departure could affect the Group, positively or negatively, depending on the exact nature and scope of the process.

Future developments

The directors expect the Company to continue as an intermediary holding company in the Webjet group. There are no decisions or developments being made by the Directors which are expected to have a significant impact on the Company in the future.

Approved by the Board and signed on its behalf by:



Stuart Nassos
Director

24 May 2018

Jac Travel Group Acquisitions Limited

Directors' report

The directors present their annual report on the affairs of Jac Travel Group Acquisitions Limited ('the Company'), together with the financial statements and auditor's report, for the 10 month period ended 31 August 2017.

Principal activities

The Company's principal activity is that of a holding company.

The Company, through its subsidiary undertakings, carries on a principal activity of a specialist provider of travel services, including online hotel bookings and inbound tours.

Future developments

Details of future developments can be found in the Strategic Report on page 4.

Dividends

The directors do not recommend payment of an ordinary dividend (12 months to 31 October 2016: £nil)

Directors

The directors, who served throughout the year except as noted, were as follows:

Shelley Lynne Earhart Beasley	(Appointed 31 August 2017)
Peter Harold Clements	(Appointed 31 August 2017)
John Guscic	(Appointed 31 August 2017)
Nigel Peter Horne	(Appointed 06 April 2018)
Christopher Montgomery	(Appointed 08 May 2018)
Stuart Edward Nassos	(Appointed 08 May 2018)
Marco Torrente	(Appointed 31 August 2017)
Michael Neil Sheehy	(Appointed 31 August 2017, resigned 08 May 2018)
Nicholas Williams	(Resigned 3 April 2018)
Terry Brian Williamson	(Resigned 31 August 2017)
Vitruvian Directors I Limited	(Resigned 31 August 2017)
Vitruvian Directors II Limited	(Resigned 31 August 2017)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Re-appointment of auditor

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

Going concern

Details of the Company's going concern assessment can be found in the Strategic Report on pages 2 to 4.

Financial risk management objectives and policies

Details of the Company's principal risks and uncertainties and the policies and procedures to mitigate these risks and uncertainties can be found in the Strategic Report on pages 2 to 4.

Principal risks and uncertainties

Details of the Company's principal risks and uncertainties and the policies and procedures to mitigate these risks and uncertainties can be found in the Strategic Report on pages 2 to 4.

Jac Travel Group Acquisitions Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Stuart Nassos
Director

24 May 2018

Jac Travel Group Acquisitions Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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.

Independent auditor's report to the members of Jac Travel Group Acquisitions Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss for the 10 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Jac Travel Group Acquisitions Limited (the 'company') which comprise:

- the Profit and loss account;
- the Balance sheet;
- the Statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Jac Travel Group Acquisitions Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Independent auditor's report to the members of Jac Travel Group Acquisitions Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
24 May 2018

Jac Travel Group Acquisitions Limited

Profit and loss account

For the 10 month period ended 31 August 2017

	Notes	10 months to 31 August 2017 £'000	12 months to 31 October 2016 £'000
Administrative expenses		(800)	(512)
Other operating expenses	2	(462)	(17,514)
Operating loss		(1,262)	(18,026)
Interest receivable and similar income	3	2,160	2,381
Interest payable and similar expense	4	(16,416)	(16,669)
Loss before taxation		(15,518)	(32,314)
Tax on loss	5	(2)	2
Loss after taxation		(15,520)	(32,312)

The Profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no other comprehensive income or loss, other than those passing through the Profit and loss account.

The notes on pages 14 to 22 form part of the financial statements.

Jac Travel Group Acquisitions Limited

Balance sheet

As at 31 August 2017

	Notes	31 August 2017 £'000	31 October 2016 £'000
Fixed assets			
Investment in subsidiary undertakings	6	144,814	144,814
Current assets			
Debtors: amounts falling due within one year	7	10	17
Debtors: amounts falling due after more than one year	7	29,409	27,248
Cash at bank and in hand		8	19
		29,427	27,284
Creditors: amounts falling due within one year	8	(303)	(1,074)
Net current assets		29,124	26,210
Total assets less current liabilities		173,938	171,024
Creditors: amounts falling due after more than one year	9	(226,192)	(207,758)
Net liabilities		(52,254)	(36,734)
Capital and reserves			
Called-up share capital	10	1,518	1,518
Share premium account	10	1,828	1,828
Profit and loss account		(55,600)	(40,080)
Shareholders' deficit		(52,254)	(36,734)

The financial statements of Jac Travel Group Acquisitions Limited, registered number 08900618 were approved by the Board of Directors and authorised for issue on 24 May 2018. They were signed on its behalf by:


Stuart Nassos
Director

Jac Travel Group Acquisitions Limited

Statement of changes in equity As at 31 August 2017

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 November 2015	1,518	1,828	(7,768)	(4,422)
Total comprehensive loss for the year	-	-	(32,312)	(32,312)
1 November 2016	1,518	1,828	(40,080)	(36,734)
Total comprehensive loss for the period	-	-	(15,520)	(15,520)
At 31 August 2017	1,518	1,828	(55,600)	(52,254)

Jac Travel Group Acquisitions Limited

Notes to the financial statements

For the 10 month period ended 31 August 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding year.

General information and basis of accounting

Jac Travel Group Acquisitions Limited (the company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Jac Travel Group Acquisitions Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements of Jac Travel Group (Holdings) Limited are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Jac Group Acquisitions Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Jac Travel Group (Holdings) Limited, which may be obtained as set out in note 11. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel. The Company has also taken the exemption from preparing consolidated financial statements.

Going concern

The Company had a net liabilities of £52,254,000 (31 October 2016: £36,734,000) at the balance date. The ultimate parent company, Webjet Limited, has confirmed in writing their continued support should the Company be unable to meet its obligations.

The directors, having considered the above, continue to adopt the going concern basis in preparing the financial statements with reasonable expectation that the Company will continue in operational existence for the foreseeable future as noted in the Strategic Report on pages 2 to 4.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Financial and equity instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

1. Accounting policies (continued)

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Loan notes

Shareholder loan notes which are basic financial instruments are measured at amortised cost using the effective interest method.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Other financial liabilities

Other financial liabilities, including trade and other payables, are initially recognised at fair value and subsequently at amortised cost.

Interest is recognised on an accruals basis, with income and expenses matched to the period to which they relate to.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

1. Accounting policies (continued)

Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss account.

Critical judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical judgements in applying the Company's accounting policies

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

2. Other operating (expenses)/ income

	10 months to 31 August 2017 £'000	12 months to 31 October 2016 £'000
Management charge to Subsidiary undertakings	609	530
Foreign exchange losses	(1,071)	(18,044)
	<u>(462)</u>	<u>(17,514)</u>

The auditor's fees was borne by a related Company entity for 2016 and 2017.

The monthly average number of employees is 1 (12 months to 3 October 2016: 1).

3. Interest receivable from subsidiary undertakings

	10 months to 31 August 2017 £'000	12 months to 31 October 2016 £'000
Interest received from Subsidiary undertakings	<u>2,160</u>	<u>2,381</u>

4. Interest payable

	10 months to 31 August 2017 £'000	12 months to 31 October 2016 £'000
On bank loans and overdrafts	4,683	5,726
Interest paid to parent undertaking	7,981	8,800
Interest paid to fellow Company undertakings	1,311	1,242
Other bank expenses	2,441	901
	<u>16,416</u>	<u>16,669</u>

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

5. Taxation

	10 months to 31 August 2017 £'000	12 months to 31 October 2016 £'000
Current year tax		
U.K. corporation tax	-	(2)
Total current tax credit	-	(2)
Deferred tax		
Origination and reversal of timing differences	2	-
	2	-
Tax expense/(credit) on loss	2	(2)
Loss before tax	(15,518)	(32,314)
Tax credit on loss at standard rate of 19.5% (2016: 20%)	(3,026)	(6,463)
Effects of:		
Non-deductible expenses	209	3,610
Transitional adjustment on conversion to FRS 102	-	(128)
Company relief not paid for	2,819	2,979
Total tax expense/(credit) for the period	2	(2)

The standard rate of tax applied to reported profit is 19.5% (31 October 2016: 20.0%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2017.

Finance Act No. 2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6 September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020.

6. Investments

	£'000
Cost	
At 1 November 2016 and 31 August 2017	144,814
Net book value	
At 31 October 2016 and 31 August 2017	144,814

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

6. Investments (continued)

Holdings

The Company holds the share capital of the following companies:

Principal investments	Registered office address	Shares held	
		Holding	%
Jac Company (Holdings) Limited ¹	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Jac Group of Companies Limited ^{*1}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Jac Travel Limited ^{*2}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Jac Travel Scotland Limited ^{*3}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Jac Travel China Limited ^{*3}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
JACOB Online Limited ^{*3}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Jac Travel Tourism LLC ^{*2}	Unit 3805, The Citadel, PO Box 213052, Business Bay, Dubai, United Arab Emirates	Ordinary	100
Totalstay Holdings Limited ¹	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Totalstay Limited ^{*3}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Flame SRL ^{*2}	Targului street, nr. 1, Tg-Mures, Romania	Ordinary	100
Exclusively Hotels Limited ^{*3}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Hotel Pronto Limited ^{*3}	8 Holmes Road, Kentish Town, London NW5 3AB United Kingdom	Ordinary	100
Jac Travel Inc. ^{*3}	874 Walker Road, Suite C, Dover, Kent, DE 19904	Ordinary	100

The principal activity of these undertakings for the last relevant financial period was as follows:

1. Investing holding companies
2. Specialist travel provider
3. Non-trading Company

*Indirectly Held

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

7. Debtors

	31 August 2017 £'000	31 October 2016 £'000
Amounts falling due after within one year:		
Other receivables	10	15
Corporation tax receivable	-	2
	<u>10</u>	<u>17</u>
Amounts falling due after more than one year:		
Amounts owed by Subsidiary undertakings	29,409	27,248

The amounts due from Group undertakings are unsecured, repayable on demand and carry an interest rate of 3% plus the London Interbank Offered Rate (LIBOR) at the first available date of the financial year.

8. Creditors: amounts falling due within one year

	31 August 2017 £'000	31 October 2016 £'000
Other creditors	283	1,058
Accruals	20	16
	<u>303</u>	<u>1,074</u>

9. Creditors: amounts falling due after more than one year

	31 August 2017 £'000	31 October 2016 £'000
Bank loans	-	80,620
Amounts owed to Parent undertaking	179,599	88,312
Amounts owed to Subsidiary undertakings	46,593	38,826
	<u>226,192</u>	<u>207,758</u>

On 31 August 2017, at the time of the Webjet acquisition, the Group fully repaid the outstanding balance of the bank debt amounting to £84.5m and interest accrued of £5.7m.

The Group had no Revolving Cash Facility as at 31 August 2017. At 31 October 2016, £593,000 was utilised for letters of credit to third party suppliers.

The amounts owed to Parent undertakings are unsecured and carry an interest rate of 11%.

The amounts owed to Subsidiary undertakings are unsecured, repayable on demand and carry an interest rate of 3% plus the London Interbank Offered Rate (LIBOR) at the first available date of the financial year.

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) For the 10 month period ended 31 August 2017

9. Creditors: amounts falling due after more than one year (continued)

	31 August 2017 £'000	31 October 2016 £'000
Creditors: amounts falling due after more than one year		
After 5 years	226,192	207,758

10. Called-up share capital

	Allotted, called-up and fully paid £'000	Share premium account £'000	31 August 2017 £'000
Allotted, called-up and fully paid			
1,473,092 'A' Ordinary shares of £1 each	1,473	-	1,473
44,701 'A' Ordinary shares of £1 each	45	1,828	1,873
	1,518	1,828	3,346

The Company has one class of ordinary shares which carry no right to fixed income.

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares or the buying back of shares are deducted from share premium.

Profit and loss account – includes all current and prior period retained profits and losses.

11. Parent and ultimate parent undertaking

The Company's immediate parent is Jac Travel Group Financing Limited.

The smallest parent entity producing publically available financial statements is Jac Travel Group (Holdings) Limited. Their registered address is 8 Holmes Road, Kentish Town, London, NW5 3AB, United Kingdom. The financial statements are available on the UK Companies House website www.companieshouse.gov.uk.

Relationship between entity and parents

The parent of the largest Company in which these financial statements are consolidated is Jac Travel Group (Holdings) Limited. From 1 September, the parent of the largest Company in which these financial statements are consolidated is Webjet Limited.

Controlling party

Webjet Limited, registered in Australia, is the ultimate parent company and controlling party. Copies of the Group financial statements are available from Webjet's registered address, Level 2, 509 St Kilda Road, Melbourne, Vic 3004, Australia.

Jac Travel Group Acquisitions Limited

Notes to the financial statements (continued) **For the 10 month period ended 31 August 2017**

12. Post balance sheet event

On 1 January 2018, 100% of the shares in JacTravel Limited were transferred to WebBeds Limited as part of a group restructure. WebBeds Limited is a registered company in England & Wales, and is as wholly owned subsidiary within the Webjet Limited Group.