

Company Registration No. 09876132 (England and Wales)

Excalibur Debtco Limited

Annual Report and Financial Statements

For the period ended 1 October 2017

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Excalibur Debtco Limited

Company information

Directors

Colin John Tenwick
Roland Patrick Bryan
Karen Louise Kemble-Diaz

Company number

09876132

Registered office

12-27 Swan Yard
London
N1 1SD

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

NatWest
49 Bishopsgate
London
EC2N 3AS

Excalibur Debtco Limited

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Excalibur Debtco Limited

Strategic report

For the period ended 1 October 2017

The directors present the strategic report for the period ended 1 October 2017 (the "Period").

Results and performance

The Company is funded by loan notes listed on The International Stock Exchange ("TISE"), in the Channel Islands, as well as funding from its immediate parent company Excalibur Holdco Limited. On 21 December 2016, the Company redeemed £28,862,000 of these loan notes and paid £3,138,000 of accrued interest.

On 8 February 2017, the Company issued £6,000,000 of additional loan notes. The net proceeds were loaned to Excalibur Silver Bidco Limited, a new subsidiary of the Company that was incorporated on 20 January 2017. Excalibur Silver Bidco Limited in turn loaned amounts to Secret Sales Limited, a company that it acquired on 8 February 2017, to fund its working capital requirements.

The total nominal value of listed loan notes as at 1 October 2017 was £45,586,000 (2016: £68,447,000). The value on the balance sheet at the same date was £51,801,000 (2016: £72,257,000), which includes interest accrued but not paid at that date and is net of capitalised and unamortised financing costs.

The Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to produce group financial statements. These financial statements therefore present information about the Company as an individual entity, rather than the consolidated group.

As shown in the Company's Income Statement, the loss before taxation for period was £5,571,000 (2016: £6,044,000), primarily reflecting interest on borrowings.

The total Shareholders' deficit as at 1 October 2017 was £10,684,000 (2016: £5,700,000).

Principal risks

Demand risk

The activities of the Company's indirect operating subsidiaries relate to offering daily voucher deals or flash retail sales. The principal risk to the revenues of those subsidiaries is a downturn in demand in daily voucher activity, caused by economic uncertainty and a change in consumer spending habits. In addition, the daily voucher discount market remains competitive. The internet provides both a threat to online discount sales and an opportunity for the business to develop new areas. This necessitates investment in new technologies and the people required to develop the Company's business.

Cash flow risk

Management is responsible for managing the Company's liquidity and ensuring that the Company has sufficient available funds for operations as they arise.

Key performance indicators

The Company's key financial and other performance indicators during the period were as follows:

	Unit	Period ended 1 October 2017	Period ended 2 October 2016
Operating loss	£000	3	22

Excalibur Debtco Limited

Strategic report (continued)

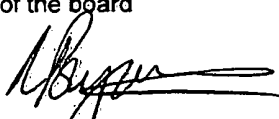
For the period ended 1 October 2017

Future developments

On 10 November 2017, the Company issued £12,250,000 of additional loan notes. The net proceeds of the issue will be used by the Company's indirect subsidiaries to fund initiatives that are expected to accelerate revenue growth and for general working capital purposes.

On 27 March 2018, the Company's direct subsidiary, Excalibur Silver Bidco Limited, disposed of the entire issued share capital of Secret Sales Limited to Secret Bidco Limited.

On behalf of the board



Roland Patrick Bryan

Director

22 May 2018

Excalibur Debtco Limited

Directors' report

For the period ended 1 October 2017

The directors present their annual report and financial statements for the period ended 1 October 2017.

Principal activities

The principal activity of the Company continued to be that of a holding company.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Colin John Tenwick
Roland Patrick Bryan
Karen Louise Kemble-Diaz
Andrew Peter MacKinnon

(Resigned 25 April 2018)

Results and dividends

The results for the period are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The Company's parent company, Excalibur Holdco Limited, has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Post reporting date events

On 10 November 2017, the Company issued £12,250,000 of additional loan notes. The net proceeds of the issue will be used by the Company's indirect subsidiaries to fund initiatives that are expected to accelerate revenue growth.

On 27 March 2018, the Company's direct subsidiary, Excalibur Silver Bidco Limited, disposed of the entire issued share capital of Secret Sales Limited to Secret Bidco Limited.

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor are aware of that information.

Excalibur Debtco Limited

Directors' report (continued)

For the period ended 1 October 2017

Going concern

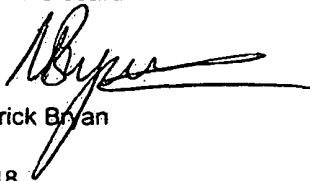
The Company meets its day-to-day working capital requirements through inter-company borrowings from direct and indirect subsidiaries that have cash held at bank, and also have access to committed bank facilities.

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position.

The financial position of the Company is showing a net liability position and the Company is loss making. Excalibur Holdco Limited, the Company's parent company, has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

On behalf of the board



Roland Patrick Bryan
Director
22 May 2018

Excalibur Debtco Limited

Directors' responsibilities statement

For the period ended 1 October 2017

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Excalibur Debtco Limited

Independent auditors' report to the members of Excalibur Debtco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Excalibur Debtco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 1 October 2017 and of its loss for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 1 October 2017; the income statement, the statement of comprehensive income, the statement of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality

- Overall materiality: £405,000 (2016: £80,000), based on 1% of total assets.

Audit Scope

- We tailored our scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as whole.

Key audit matters

- We have determined that there are no Key Audit Matters to communicate in our report

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

We have determined that there are no Key Audit Matters to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Excalibur Debtco Limited

We performed an audit of the complete financial information of Excalibur Debtco Limited.

The accounting process is structured around the finance function who maintain the accounting records and controls and prepare management reporting packs.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£405,000 (2016: £80,000).
How we determined it	1% of total assets.
Rationale for benchmark applied	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £20,250 (2016: £4,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 1 October 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Excalibur Debtco Limited

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Adri Loubser (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

22 May 2018

Excalibur Debtco Limited

Income statement

For the period ended 1 October 2017

		Period ended 1 October 2017 £000	Period ended 2 October 2016 £000
	Notes		
Administrative expenses		(3)	(22)
Operating loss	3	(3)	(22)
Interest payable and similar expenses	6	(5,568)	(6,022)
Loss before taxation		(5,571)	(6,044)
Taxation	7	587	-
Loss for the financial period		(4,984)	(6,044)

The income statement has been prepared on the basis that all operations are continuing operations.

Excalibur Debtco Limited

Statement of comprehensive income For the period ended 1 October 2017

	Period ended 1 October 2017 £000	Period ended 2 October 2016 £000
Loss for the period	(4,984)	(6,044)
Other comprehensive income	-	-
Total comprehensive income for the period	<u>(4,984)</u>	<u>(6,044)</u>

Excalibur Debtco Limited

Statement of financial position

As at 1 October 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Investments	8	344	344
Current assets			
Debtors	10	40,785	66,230
Creditors: amounts falling due within one year	11	(12)	(17)
Net current assets		40,773	66,213
Total assets less current liabilities		41,117	66,557
Creditors: amounts falling due after more than one year	12	(51,801)	(72,257)
Net liabilities		(10,684)	(5,700)
Capital and reserves			
Called up share capital	15	3	3
Share premium account		341	341
Profit and loss account		(11,028)	(6,044)
Total equity		(10,684)	(5,700)

The financial statements were approved by the board of directors and authorised for issue on 22 May 2018 and are signed on its behalf by:


Roland Patrick Bryan
Director

Company Registration No. 09876132

Excalibur Debtco Limited

Statement of changes in equity

For the period ended 1 October 2017

	Notes	Share capital £000	Share premium account £000	Profit and loss account £000	Total £000
Balance at 17 November 2015		-	-	-	-
Period ended 2 October 2016:					
Loss and total comprehensive income for the period		-	-	(6,044)	(6,044)
Issue of share capital	15	3	341	-	344
Balance at 2 October 2016		3	341	(6,044)	(5,700)
Period ended 1 October 2017:					
Loss and total comprehensive income for the period		-	-	(4,984)	(4,984)
Balance at 1 October 2017		3	341	(11,028)	(10,684)

Excalibur Debtco Limited

Notes to the financial statements

For the period ended 1 October 2017

1 Accounting policies

Company information

Excalibur Debtco Limited is a private company limited by shares incorporated in England and Wales. The registered office is 12-27 Swan Yard, London, N1 1SD.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Excalibur Holdco Limited. These consolidated financial statements are available from its registered office, 12-27 Swan Yard, London, N1 1SD.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

Excalibur Debtco Limited is a wholly owned subsidiary of Excalibur Holdco Limited and the results of Excalibur Debtco Limited are included in the consolidated financial statements of Excalibur Holdco Limited which are available from 12-27 Swan Yard, London, England N1 1SD.

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

1 Accounting policies

(Continued)

1.2 Going concern

The Company meets its day-to-day working capital requirements through inter-company borrowings from direct and indirect subsidiaries that have cash held at bank, and also have access to committed bank facilities.

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position.

The financial position of the Company is showing a net liability position and the Company is loss making. Excalibur Holdco Limited, the Company's parent company, has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

1.3 Reporting period

The accounting policies have been prepared on a consistent basis in both the current and prior periods, unless otherwise stated. The financial period ended 1 October 2017 consists of 52 weeks (2016 - 46 weeks)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

1 Accounting policies

(Continued)

1.6 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' Issues of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

1 Accounting policies

(Continued)

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

3 Operating loss

	2017	2016
	£000	£000

Operating loss for the period is stated after charging/(crediting):

Fees payable to the Company's auditors for the audit of the Company's financial statements

1

1

4 Employees

The Company did not have any employees during the period.

5 Directors' remuneration

No directors received any remuneration for their services to the Company during the period.

6 Interest payable and similar expenses

	2017	2016
	£000	£000
Interest on bank overdrafts and loans	5,347	5,835
Amortisation of finance costs	221	187
	<u>5,568</u>	<u>6,022</u>

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

7 Taxation

	2017 £000	2016 £000
Deferred tax		
Origination and reversal of timing differences	(431)	-
Adjustment in respect of prior periods	(156)	-
Total deferred tax	(587)	-

The actual (credit)/charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2017 £000	2016 £000
Loss before taxation	(5,571)	(6,044)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	(1,086)	(1,209)
Tax effect of expenses that are not deductible in determining taxable profit	460	585
Effect of change in corporation tax rate	56	9
Group relief	188	566
Deferred tax adjustments in respect of prior years	(156)	-
Deferred tax not recognised	(49)	49
Taxation credit for the period	(587)	-

There is an unrecognised deferred tax asset of nil (2016: £49,000).

The Finance (No 2) Act 2015 reduced the main rate of UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The effect of these rates was included in the financial statements in 2015/16. The Finance Act 2016 further reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020.

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

8 Fixed asset investments

	Notes	2017 £000	2016 £000
Investments in subsidiaries	9	344	344

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 3 October 2016 & 1 October 2017	344
Carrying amount	
At 1 October 2017	344
At 2 October 2016	344

9 Subsidiaries

Details of the Company's subsidiaries at 1 October 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Excalibur Midco Limited	12 - 27 Swan Yard, London, N1 1SD	Holding company	Ordinary	100.00	-
Excalibur Silver Bidco Limited	12 - 27 Swan Yard, London, N1 1SD	Supply of strategic management services	Ordinary	100.00	-
Excalibur Bidco Limited	12 - 27 Swan Yard, London, N1 1SD	Supply of strategic management services	Ordinary	-	100.00
Wowcher Limited	12 - 27 Swan Yard, London, N1 1SD	Daily voucher deals	Ordinary	-	100.00
Livingsocial Limited	12 - 27 Swan Yard, London, N1 1SD	Non-trading	Ordinary	-	100.00
Livingsocial Europe Limited	6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland	Daily voucher deals	Ordinary	-	100.00
Secret Sales Limited	12 - 27 Swan Yard, London, N1 1SD	Daily flash sales	Ordinary	-	100.00

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

10 Debtors

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts due from group undertakings	40,198	66,230
Deferred tax asset (note 14)	587	-
	<u>40,785</u>	<u>66,230</u>

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

11 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts due to group undertakings	1	17
Other creditors	10	-
Accruals and deferred income	1	-
	<u>12</u>	<u>17</u>

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

12 Creditors: amounts falling due after more than one year

	Notes	2017 £000	2016 £000
Loan notes	13	53,632	74,282
Unamortised loan note issue costs		(1,831)	(2,025)
		<u>51,801</u>	<u>72,257</u>

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

13 Loans and overdrafts

	2017 £000	2016 £000
Loan notes	53,632	74,282
Payable after one year	53,632	74,282

Fixed Rate Unsecured Loan Notes of £68,447,000 were issued by the Company on 26 November 2015. Interest is calculated at a fixed rate of 10% per annum and the final date for the repayment of principal is 31 December 2025. Issue costs of £2,212,000 were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss over the term of the loan.

On 21 December 2016, the Company redeemed £28,862,000 of these loan notes and paid £3,138,000 of accrued interest.

On 8 February 2017, the Company issued £6,000,000 of additional loan notes. Issue costs of £25,000 were incurred, which have been deducted from the initial carrying value and will be charged to profit or loss over the term of the loan.

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2017 £000	Assets 2016 £000
Balances:		
Tax losses	12	-
Short term timing differences	575	-
	587	-
Movements in the period:		2017 £000
Liability at 3 October 2016		-
Credit to profit or loss		(587)
Liability/(Asset) at 1 October 2017		(587)

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

15 Share capital

	2017 £000	2016 £000
Ordinary share capital		
Issued and fully paid		
343,957 Ordinary shares of 1p each	3	3

16 Events after the reporting date

On 10 November 2017, the Company issued £12,250,000 of additional loan notes to fund further growth within the Group.

On 27 March 2018, the Company's direct subsidiary, Excalibur Silver Bidco Limited, disposed of the entire issued share capital of Secret Sales Limited to Secret Bidco Limited. The total consideration was £1 paid immediately in cash.

17 Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 not to disclose related party transactions with other Group companies.

DMG Media Investments Limited ("DMG Media") is considered to be a related party. It is a shareholder and has significant influence over the Company's ultimate parent company Excalibur Holdco Limited by virtue of votes held and rights held under the terms of the Subscription and Shareholders' Deed.

The group has loan notes owed to DMG Media. At the year end, the total balance owed was £16,044,000 (2016: £22,213,000). The total interest charge on the loan notes for the year was £1,599,000 (2016: £1,745,000). On 21 December 2016, DMG Media redeemed £8,630,000 of loan notes and £938,000 of accrued interest. On 8 February 2017, £1,800,000 of additional loan notes were issued to DMG Media.

Exponent Private Equity Fund III, LP ("Exponent") is considered to be a related party. It is the ultimate controlling party by virtue of votes held and rights held under the terms of the Subscription and Shareholders' Deed.

The group has loan notes owed to Exponent. At the year end, the total balance owed was £37,437,000 (2016: £51,831,000). The total interest charge on the loan notes for the year was £3,732,000 (2016: £4,071,000). On 21 December 2016, Exponent redeemed £20,138,000 of loan notes and £2,188,000 of accrued interest. On 8 February 2017, £4,200,000 of additional loan notes were issued to Exponent.

The group also has loan notes owed the directors. At the year end, the total balance owed was £151,000 (2016: £238,000). The total interest charge on the loan notes for the year was £16,000 (2016: £19,000). On 21 December 2016, the directors redeemed £93,000 of loan notes and £10,000 of accrued interest.

The interest and balances relate to loan notes that are listed on The International Stock Exchange (TISE), which are held by certain shareholders in Excalibur Holdco Limited, the Company's immediate parent. The amount of loan notes shown in the balance sheet of £51,801,000 (2016: £72,257,000) is stated net of capitalised financing costs.

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

18 Controlling party

The ultimate parent undertaking and the largest and smallest group to consolidate these financial statements is Excalibur Holdco Limited. The registered address of Excalibur Holdco Limited is 12-27 Swan Yard, London N1 1SD.

The ultimate controlling party is Exponent Private Equity LLP on behalf of funds under its management.