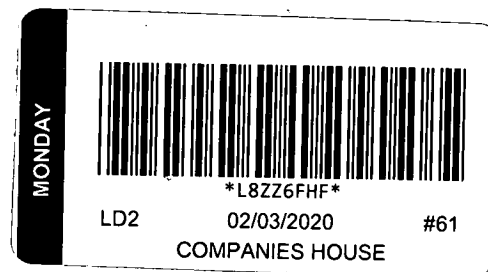


Big Bus Tours Holdings 1 Limited
(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Registered number 09435171

30 April 2019



Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

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Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

Company information

Directors
Timothy Easingwood
John Donaldson (Resigned 31 December 2018)
Patrick Waterman
Richard Lenane
Sean Wilkins
Alex Payne (Resigned 27 January 2020)

Company number 09435171

Registered office
110 Buckingham Palace Road
London
SW1W 9SA

Auditor
Deloitte LLP
Statutory Auditor
1 New Street Square
London
United Kingdom
EC4A 3HQ

Bankers
HSBC
60 Queen Victoria Street
London
EC4N 4TR

Solicitors
Macfarlanes LLP
20 Cursitor Street
London
EC4A 1 LT

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

Strategic Report

This Strategic Report has been prepared solely to provide information to users of the financial statements to assess how the directors have performed their duty to promote the success of the Company.

Business review and key performance indicators

Big Bus Tours Group Holdings Limited (the “Group”) operates open top sightseeing tours in 22 cities internationally, with revenue principally derived through the sale of tickets for tours on the Group’s fleet of open top buses. Big Bug Holdings 1 Limited (the “Company”) acts as an intermediate holding company for the Group investments and shareholder loans. During the year, growth in the group has been achieved organically and through asset acquisitions.

Principal risks and uncertainties

Economic conditions, bad weather and the threat of terrorist activity are the greatest risks and uncertainties to the business. We endeavour to mitigate these risks by increasing our presence across multiple continents, economies and weather systems and not concentrating our operations in any particular country or continent. The uncertainty in respect of the potential impact of Brexit on the group remains.

Management have considered the impact of the Company on climate change and have determined the impact to be unquantifiable.

During the year a prior period restatement has arisen in relation to the capital contribution recognised in the prior year. See note 11 for further detail.

Key performance indicators

The key performance indicators of the company are net assets of \$40,042,232 (2018:\$21,847,567).

Going Concern

The Group’s position in relation to going concern is set out in note 1. Management has considered the Group’s activities, together with the factors likely to affect its future development, performance and position, as set out in this report, and how these affect the going concern assessment of the Group. Specific areas which have been considered in detail include forecast cash flows, projected liquidity position and borrowing facilities, including covenant compliance.

Through the annual budgeting process, management has prepared detailed forecasts and projections. When considering going concern, these have been flexed to reflect reasonably possible changes in trading performance. The Group’s forecast shows, before consideration of possible likely sensitivities that the Group can operate within its current facilities.

The current economic conditions, including the current novel coronavirus (COVID-19) outbreak, create uncertainty particularly over the level of demand for the Group’s services. The Directors have considered the extent of this uncertainty and actions needed to mitigate the impact. The Directors consider that there are sufficient mitigating actions within their control to manage their performance.

On the basis of the work performed it is the directors’ expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In the year ended 30 April 2019, the Company made a loss after tax of \$29,555,508 (2018: \$27,553,463).

Subsequent Events

No important events affecting the Company and its subsidiary undertakings have occurred since the end of the period.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

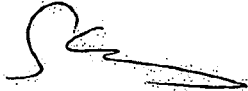
*Annual report and financial statements
Year ended 30 April 2019*

Strategic Report *(continued)*

Future developments

It is expected that the Company will continue manage the borrowings of the Group.

The Company continues to look for opportunities for growth, while continuing to optimise existing operations.



S. Wilkins

Director

Date: 28th February 2020

110 Buckingham Palace Road
London
SW1W 9SA

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

Directors' report

The directors present their annual report and audited financial statements for the year ended 30 April 2019 prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

A list of the subsidiary undertakings of the Company is disclosed in Note-5.

Results

The loss for the period, after taxation, amounted to \$29,555,508 (2018: \$27,553,463).

Directors' interests

The directors who held office during the period (unless stated otherwise) were as follows:

Timothy Easingwood

John Donaldson (Resigned 31 December 2018)

Patrick Waterman

Richard Lenane

Sean Wilkins

Alex Payne (Resigned 27 January 2020)

Directors' indemnities

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

Political and charitable contributions

During the year the Company made political and charitable donations of £nil (2018: £nil).

Financial risk management objectives and policies

The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit of the Company.

Capital structure

Details of the issued share capital, together with details of the movements in the company's issued share capital during the year are shown in note 8.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have been taken as a director to make himself aware of any relevant audit information and to ensure that the auditor is made aware of that information.

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

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

Directors' report (*continued*)

Deloitte have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



Sean Wilkins

Director

Date: 28th February 2020

110 Buckingham Palace Road
London
SW1W 9SA
United Kingdom

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

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 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG BUS TOUR HOLDINGS 1 LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Big Bus Tours Holdings 1 Limited (the 'company');:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- the statement of profit and loss and comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Valuation of shareholder loan notes; and
- Going concern

Materiality

The materiality that we used in the current year was \$698,000 which was determined on the basis of net assets and capped at the group component materiality.

Scoping

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Significant changes in our approach

New key audit matter in relation to going concern was identified.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

4. 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Going concern

Key audit matter description

The company acts as an intermediate holding company for Big Bus Tours Group Holdings Limited (the "Parent") and holds investments in subsidiaries and shareholder loans; and does not have any trading activity.

The company is dependent on the support from its parent and the performance of the trading subsidiaries of the Group. Any deterioration in performance of the Group or unwillingness of the parent undertaking to support the company would in turn affect the going concern basis of accounting under which the financial statements have been prepared.

The cash flows of the Group, including its debt facilities "senior term and revolving facilities agreement" and financial covenants attached to it are managed on a group-wide basis and hence the Directors assess the going concern position of the Group as a whole.

The Directors have prepared cash flow projections for the Group which involve significant judgement over key assumptions such as future performance of the business including revenue growth which is highly sensitive to passenger numbers.

They have considered the current economic conditions, including the uncertainty around the current novel coronavirus (COVID-19) outbreak and its impact on passenger numbers as part of the sensitivities to the forecasts across current locations. The Directors have considered certain mitigating actions within their control in order to manage performance.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

Taking into account the sensitivities and mitigating actions, the Directors concluded that the Group would have sufficient resources available to meet liabilities as they fall due and concluded that there are no material uncertainties around the going concern assumption.

Further details are included within the strategic report on page 3 and in note 1 to the financial statements.

How the scope of our audit responded to the key audit matter

As part of the work in this area, we have performed the following;

- obtained an understanding of controls including, management review controls relating to forecast assumptions;
- reviewed management's cash flow projections, challenging the key assumptions based on our knowledge of the business and general market conditions affecting the group undertakings, our understanding of the future performance of the business, industry forecasts and assessed the potential risk of management bias;
- assessed management's coronavirus sensitivity analysis in relation to the key assumptions used to consider the extent of changes that either individually or collectively would result in the subsidiaries being unable to pay the debt;
- assessed the mitigating actions identified by management within their control and their impact on the cash flow forecasts;
- reviewed the banking facilities, including the financial covenants contained therein that apply to the going concern period;
- obtained and reviewed letter of support from its ultimate shareholder to continue to provide support to the Group and Company during the going concern period; and
- challenged the commercial rationale for the parent entity providing ongoing financial support for the period of the going concern assessment.

Key observations

Based on the work performed we are satisfied with the Directors' assessment of the Company's ability to continue as a going concern.

5.2. Valuation of shareholder loan notes

Key audit matter description

The Company has shareholder loans of \$254.6m at the year end. In the current year, the existing loans were modified as their redemption date was extended by two years. This results in a modification of loan terms under IFRS 9, which in turn raises the risk as there is judgement as to whether the existing loans should be derecognised and a new liability recognised, or the modification should be classified as non-substantial modification of the terms, with respective effect recognised in the statement of profit and loss and other comprehensive income for the year.

Big Bus Tours Holdings 1 Limited

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Annual report and financial statements
Year ended 30 April 2019

Judgement is required by the directors with regards to the accounting treatment, which is complex in nature, as well as determining the appropriate effective discount rate, reflective of the nature of these shareholder loans, used to determine the fair value of the loans.

Further details are included within note 7 to the financial statements.

How the scope of our audit responded to the key audit matter

As part of the work in this area, we have performed the following;

- reviewed the modification of the terms of the unsecured class 1 notes 2022 agreement and agreed these to the shareholder loan schedule;
- involved our valuation specialists on appropriateness of the discount rate used in the assessment including, benchmarking against the recent external bank loan borrowed by the group ; and
- reviewed the accuracy and completeness of management's valuation of the modified shareholder loan notes and evaluated the valuation and accounting thereof, whether they are in line with IFRS 9.

Key observations

Based on the work performed we concluded that the valuation of shareholder loan note is appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	\$698,000 (2018: \$57,000)
Basis for determining materiality	Capped at component materiality The basis of materiality in the current and prior year is 3% of net assets. However, this has been capped at the group component materiality of \$698,000.
Rationale for the benchmark applied	We determined materiality based on net assets as this is the key metric used by management given the company acts as a holding company for the group investments and shareholder loans.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

6.2. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of \$34,900 (2018: \$2,850), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. 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.

9. 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.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

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

Report on other legal and regulatory requirements

11. 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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.

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

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 nothing to report in respect of these matters.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

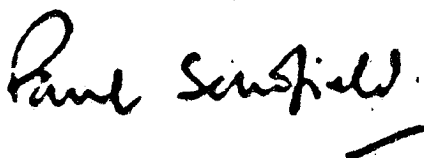
12.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

13. 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.



Paul Schofield FCA

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

28th February 2020

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

Statement of Profit and Loss and Comprehensive Income

For the year ended 30 April 2019

	Note	2019 \$000	2018 Restated \$000
Revenue		-	-
Gross profit		-	-
Administrative expenses		(23)	(7)
Loss from operating activities		(23)	(7)
Finance income	2	2,424	27
Finance expenses	3	(31,957)	(27,573)
Loss before income tax		(29,556)	(27,553)
Income tax credit/(charge)	4	-	-
Loss for the year from continuing operations		(29,556)	(27,553)
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		(29,556)	(27,553)

All results are generated from continuing operations.

The notes on pages 18-29 are an integral part of these financial statements.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

Balance Sheet

As at 30 April 2019

		2019	2018
	Note	\$000	Restated \$000
Non-current assets			
Investment in subsidiary	5	70,922	941
		<u>70,922</u>	<u>941</u>
Current assets			
Trade and other receivables		7	8
Receivable from a related party	7	285,112	284,434
Total assets		<u>356,041</u>	<u>285,383</u>
Non-current liabilities			
Loan from a related party	7	(315,999)	(263,535)
Total liabilities		<u>(315,999)</u>	<u>(263,535)</u>
Net assets		<u>40,042</u>	<u>21,848</u>
Issued capital and reserves attributable to owners			
Share capital	8	951	948
Share premium		950	639
Capital contribution reserve		160,051	112,615
Retained earnings		(121,910)	(92,354)
Total equity		<u>40,042</u>	<u>21,848</u>

The notes on pages 18-29 are an integral part of these financial statements.

These financial statements were approved and authorised for issue on behalf of the Board of Directors on 28th February 2020.



Sean Wilkins
Director

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

Statement of changes in equity

For the year ended 30th April 2019

	Share capital \$000	Share Premium \$000	Retained earnings \$000	Capital Contribution Reserve \$000	Total equity \$000
Balance at 30 April 2017 – as previously reported	948	639	(65,162)	-	(63,575)
Effect of restatement	-	-	361	-	361
Balance at 30 April 2017 - restated	948	639	(64,801)	-	(63,214)
Total comprehensive income for the period					
Loss for the period (restated)	-	-	(27,553)	-	(27,553)
Total comprehensive loss for the period	-	-	(27,553)	-	(27,553)
Issue of share capital	-	-	-	-	-
Capital Contribution (restated) (Note 11)	-	-	-	112,615	112,615
Balance at 30 April 2018 (restated)	948	639	(92,354)	112,615	21,848
Total comprehensive income for the period					
Loss for the period	-	-	(29,556)	-	(29,556)
Total comprehensive loss for the period	-	-	(29,556)	-	(29,556)
Issue of share capital	3	311	-	-	314
Capital Contribution (Note 7)	-	-	-	47,436	47,436
Balance at 30 April 2019	951	950	(121,910)	160,051	40,042

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

*Annual report and financial statements
Year ended 30 April 2019*

Notes (to the financial statements)

1. Accounting policies

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

Big Bus Tours Holdings 1 Limited is a private Company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 2.

These financial statements are separate financial statements. The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group. Details of the parent company of the Company are provided in Note 9.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements have therefore been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under this standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective impairment of assets and related party transactions.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The Directors have taken into account all available information about the future for a period of at least, but not limited to, 12 months from the date of approval of the financial statements when assessing the Group and Company's ability to continue as a going concern. The Group's forecast shows, before consideration of possible likely sensitivities that the Group can operate within its current facilities although there is limited headroom on banking covenants in certain quarters. The forecasts key assumptions relate to revenue volumes and price. This forecast has been approved by the Board.

The current economic conditions, including the current novel coronavirus (COVID-19) outbreak, create uncertainty particularly over the level of demand for the Group's services. The Directors have considered the extent of this uncertainty and actions needed to mitigate impact on cash flows and covenant tests in reasonably possible scenarios. There are reasonably possible scenarios under which there would be a breach in covenants but the SFA allows for a travel shock adjustment which the Directors would call on in this situation. The Directors consider that there are sufficient mitigating actions within their control, in particular the reduction of discretionary expenditure, to manage their performance.

The directors consider that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Additionally, having made appropriate enquiries, the directors have an expectation that the ultimate shareholders have funds available and an intention to provide the required funding should it require. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis and are presented in the functional currency of United States Dollars ("USD"). Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell. Where there are assets and liabilities calculated on a different basis, this fact is disclosed in the relevant accounting policy.

Big Bus Tours Holdings 1 Limited

(Formerly Big Bus Tours Midco Limited)

Annual report and financial statements
Year ended 30 April 2019

Notes (continued)

1. Accounting policies (continued)

Foreign currency transactions

Transactions denominated in foreign currencies are translated into "United States Dollars (USD)" and recorded at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into USD at exchange rates ruling at the reporting date.

Non-monetary assets and liabilities, which are stated at historical cost, are translated into USD at exchange rates ruling at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

The tax currently payable is based on taxable profit for the period. 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which arise on initial recognition of assets and liabilities, allowances and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Big Bus Tours Holdings 1 Limited

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Notes (continued)

1. Accounting policies (continued)

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on

future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. In such instances where the financial liability of the Company is to its parent, a capital contribution is recognised to the extent that the Company is not recharged by its parent.

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.

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.

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Notes (continued)

1. Accounting policies (continued)

Finance expense

Finance expenses comprise interest expense on borrowings from related parties. Interest is calculated using the effective interest method.

Other interest expenses are recognized as an expense in the period in which they are incurred.

Critical accounting judgements and key sources of estimation uncertainty

In the application of accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors have considered the above and do not consider there to be any material judgements or estimates included in these financial statements except the following:

Impairment of investments

Determining whether the carrying value of investments is impaired requires an estimation of the value in use of the cash-generating units to which the investment balance relates. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. This calculation was performed and no indication of impairment of investments was noted.

Adoption of new and revised standards

This is the first year that the Company has applied a number of amendments of IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2018. These include IFRS 9 Financial Instruments. The nature and the impact of the new standard and amendment is described below.

IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has chosen to apply this provision and adopt IFRS 9 via the modified retrospective approach. IFRS 9 brings together the classification and measurement, impairment and hedge accounting to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The Company has assessed the new requirements for financial assets and there were no changes to the Company's assets previously classified as held at amortised cost under IAS 39.

The impairment requirements are based on expected credit losses ("ECL") and apply to financial assets measured at amortised cost and FVOCI, and lease receivables and certain loan commitments and financial guarantee contracts.

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Notes *(continued)*

1. Accounting policies (continued)

For trade receivables and amounts recoverable from related parties, a simplified approach has been adopted as permitted by IFRS 9, whereby an allowance is recognised for the lifetime ECL of the instrument. Practical expedients have been employed to calculate the ECL for trade receivables and amounts recoverable on contracts.

For cash and cash equivalents, ECL has been estimated to be close to zero, reflecting the on demand and low credit risk nature of these instruments. The requirement to use an expected loss method of impairment of financial assets on adoption of IFRS 9 on 1 May 2018 did not have a material impact on the Group's 2019 financial results.

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Notes (continued)

2. Finance income

	2019 \$000	2018 \$000
Interest on shareholder loans	27	27
Forex Gain	2,397	-
	<u>2,424</u>	<u>27</u>

3. Finance expenses

	2019 \$000	2018 Restated \$000
Interest on shareholder loans	26,071	27,573
Interest on intercompany loans	5,886	-
	<u>31,957</u>	<u>27,573</u>

All shareholder loans mature in either 2022 or 2024. Further details of the loans are detailed in Note 7.

4. Taxation

	2019 \$000	2018 Restated \$000
Profit/(loss) before taxation	<u>(29,556)</u>	<u>(27,915)</u>
Tax using the UK corporation tax rate of 19% (2018: 19%)	(5,616)	(5,304)
Non-taxable income	3,928	3,805
Group Relief	<u>1,688</u>	<u>1,499</u>
Total tax expense Group Relief	<u>-</u>	<u>-</u>

The standard rate of tax applied to reported profit on ordinary activities is 19% (2018: 19%). Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

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Notes (continued)

5. Investments

	2019 \$000	2018 \$000
Cost		
At 30 April	941	941
Additions	69,981	-
Disposals	-	-
At 30 April	<u>70,922</u>	<u>941</u>
Impairment		
At 30 April	-	-
Carrying amount		
At 30 April	<u>70,922</u>	<u>941</u>

Investments in subsidiaries are held at cost less impairment.

During the year, the Company made investments totalling \$69.98m in Big Bus Tours Holdings 2 Limited. The investments in the year relate to tax structuring and related investments in Irish City Tours Limited and Big Bus Tours Singapore PTE. Ltd.

The following were owned subsidiaries of Big Bus Tours Holdings 1 Limited at the end of the period. Shares held are Ordinary Shares unless otherwise stated.

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Notes (continued)

5. Investments (continued)

Companies where the principal activity is as a sightseeing bus tour operator:

Subsidiaries	Registered address	Shares held
Big Bus Tours Ltd ③	110 Buckingham Palace Road, London, SW1W 9SA	100%
The Big Bus Company Ltd ①	110 Buckingham Palace Road, London, SW1W 9SA 21C street, 16 shed no	100%
Double Decker Bus Tours LLC ①	Al Qouz Industrial Area 3 Dubai	100%
City Sightseeing Washington DC, Inc. ①	5500 Tuxedo Road Hyattsville	100%
Open Top Sightseeing San Francisco LLC ①	3240 3rd street, San Francisco	100%
Taxi Tours Inc. ①	723 7th Ave, 5th Floor New York, 10019	100%
The Big Bus Company (Hong Kong) Ltd ①	Unit 6, 8th Floor, Tower 1, South Seas Centre 75 Mody Road, Kowloon	100%
Open Top Sightseeing Las Vegas, Inc. ①	3201 Builders Ave, Las Vegas NV 89101	100%
Conway Tours, Inc. ①	2444 NW 7th Place Miami, FL 33127	100%
Big Bus Tours LLC (Abu Dhabi) ①	PO Box 95120, Abu Dhabi	49%
City Sightseeing Kft ①	1065 Budapest, Bajcsy-Zsilinszky út 17. fsz 2. a., Hungary	100%
Big Bus Tours LLC (Muscat) ①	PO Box 1694, Muscat	50%
Big Bus Vienna GmbH ①	Walfischgasse 5/4 1010 Vienna, Austria	100%
Big Bus Tours Rome S.R.L. ①	Via Nazionale 208 3rd floor Rome, 00184	49%
Chicago Gray Line Ltd ①	630 W 41st Street, Unit B Chicago, IL 60609	100%
City Sightseeing Pty Ltd ①	City Sightseeing Pty Ltd PO Box 1980, Maroubra NSW 2035, Australia	100%
Les Cars Rouges S.A. ②	17 Quai de Grenelle 75015 Paris	100%
Big Bus Tours Berlin GmbH ①	Freiheit 29, 13597, Berlin, Germany	100%
Irish City Tours Limited ①	Unit 12, Bluebell Industrial Estate Bluebell Avenue Bluebell, Dublin 12	100%
Singapore Ducktours Private Limited ①	82 Amoy Street #03-00 Singapore 069901	100%
Big Bus Singapore City Sightseeing PTE. Ltd ①	82 Amoy Street #03-00 Singapore 069901	100%

① Held via Big Bus Tours Limited

② Held via FR Holdings

③ Held via Big Bus Tours Group Ltd

④ Held by Big Bus Tours Holdings 2 Ltd

⑤ Held by Big Bus Tours Holdings 1 Limited

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Notes (continued)

5. Investments (continued)

Companies with other principal activity:

Subsidiaries	Registered address	Shares held	Principal activities
Big Bus Tours Holdings 2 Ltd ⑤	110 Buckingham Palace Road, London, SW1W 9SA	100%	Holding Company
Big Bus Tours Holdings 1A Ltd ⑤	110 Buckingham Palace Road, London, SW1W 9SA	100%	Holding Company
Big Bus Tours Group Ltd ⑤	110 Buckingham Palace Road, London, SW1W 9SA	100%	Holding Company
The Big Bus Company, Inc. ①	5500 Tuxedo Road Hyattsville	100%	Leasing of tour buses
The Big Bus Company of Pennsylvania, Inc. ①	5500 Tuxedo Road Hyattsville	100%	Franchise and licensing of bus tours in the city of Philadelphia PA
The Big Bus Coach (HK) Ltd ①	Unit 6, 8th Floor, Tower 1, South Seas Centre 75 Mody Road, Kowloon	100%	Leasing of tour buses
Shanghai Big Bus Management Consulting Company Ltd ①	Rm 1205, Hui Jin Tower, 515 Hankou Rd, Shanghai	100%	Provide management services to another entity who are a sightseeing bus tour operator.
Arbimini Holding GmbH ①	Walfischgasse 5/4 1010 Vienna, Austria	100%	Holding Company
Open Top Sightseeing USA, Inc. ①	5500 Tuxedo Road Hyattsville	100%	Holding for OTS Group
Open Top Sightseeing Los Angeles, Inc. ①	5500 Tuxedo Road Hyattsville	100%	Non-operating entity
OTL West Coast, LLC (formerly Open Top Leasing A LLC) ①	5500 Tuxedo Road Hyattsville.	100%	Leasing of tour buses
Big Bus Tours (Miami) Property ①	2444 NW 7th Place Miami, FL 33127	100%	Property holding Company
Skyline Tours, LLC ①	2444 NW 7th Place Miami, FL 33127	100%	Licence owner
Big Bus EU Limited ①	110 Buckingham Palace Road, London SW1W 9SA	100%	Holding Company
Big Bus Tours Australia Pty Limited ①	Big Bus Australia Pty Ltd PO Box 1980, Maroubra NSW 2035, Australia	100%	Holding Company.
Open Top Sightseeing Italy S.R.L. ①	Via Nazionale 208 3rd floor Rome, 00184	100%	Leasing of tour buses
Cèdres Participations Sarl ①	17 Quai de Grenelle 75015 Paris	60%	Travel agent
F.COM France Eurl ①	17 Quai de Grenelle 75015 Paris	90.91%	Travel agent
FR Holdings ⑤	17 Quai de Grenelle 75015 Paris	100%	Holding Company
Darwin Explorer①	Unit 4, 02, Floor 4, 9 Help Street, Chatswood, NSW, 2067	50%	Trustee Company
Big Bus Tours Singapore PTE. LTD ①	82 Amoy Street #03-00 Singapore 069901	100%	Holding Company
Tourist Information & Services (S) Private Limited ①	82 Amoy Street #03-00 Singapore 069901	100%	Tourist Information
Big Bus Tours Ireland Limited ①	Unit 12, Bluebell Industrial Estate, Dublin	100%	Holding Company

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Notes (continued)

6. Auditors' and directors' remuneration

(a) Fees payable to Deloitte LLP for the audit of the Company were borne by the other companies within the Group and disclosed in the consolidated financial statements of Big Bus Tours Group Holdings Limited. Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

(b) All directors were remunerated for their services by the Company's subsidiary Big Bus Tours Group Limited. Included in group consolidated accounts, Directors remuneration for qualifying services to the Company is \$nil (2018: \$nil). The Company does not have any employees and as such has incurred no personnel expenses in the period.

7. Related parties

	Balance as at 30 April 2018 \$000	Interest Received \$000	Payments \$000	Capital Contribution \$000	Balance as at 30 April 2019 \$000
<u>Amounts owed from</u>					
Big Bus Tours Holdings 2 Ltd	228,037	-	96	-	228,133
Big Bus Tours Group Holdings Ltd	55,436	554	-	-	55,990
Patrick Waterman	961	28	-	-	989
	<u>284,434</u>	<u>582</u>	<u>96</u>	<u>-</u>	<u>285,112</u>
<u>Amounts owed to</u>					
	Balance as at 30 April 2018 Restated \$000	Interest Expense \$000	Loans \$000	Modification \$000	Balance as at 30 April 2019 \$000
Big Bus Tours Holdings 1A Limited	-	5,886	55,514	-	61,400
Shareholder loan notes	263,535	26,071	12,429	(47,436)	254,599
	<u>263,535</u>	<u>31,957</u>	<u>67,943</u>	<u>(47,436)</u>	<u>315,999</u>

Balances held by the Company with Big Bus Tours Holdings 2 Ltd have no fixed repayment date or applicable interest rate. The amounts outstanding are unsecured. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Intercompany loans held by the Company with Big Bus Tours Group Holdings Ltd have no fixed repayment date or applicable interest rate. Shareholder loans held by the Company with Big Bus Tours Group Holdings Ltd are repayable in 5 years with 10% fixed annual interest rate.

Balances held by the Company with Big Bus Tours Holdings 1A Ltd have no fixed repayment date with 12.5% annual interest.

Shareholder loan notes accrue interest either at 10% compounding quarterly or two times the nominal value or at 0% and are repayable in 5 years. A portion of the shareholder loan notes is listed in the Channel Islands. During the year the redemption date on Shareholder loans was extended. This led to a substantial modification and re-measurement of those loans. As a result a capital contribution of \$47.4m was recognised in equity.

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Notes (continued)

7. Related parties (continued)

The following have been determined to be related parties of the Group in accordance with IAS 24 and hold the above financial instruments as at 30 April 2019:

Related party	Instrument held	Value as at 30 April 2019 \$000	Applicable interest rate	Maturity date
Exponent Private Equity	Shareholder loan notes	138,147	10% compounding quarterly or 2x the nominal or 0%	25 January 2024
Patrick Waterman	Shareholder loan	989	3% straight line	18 March 2022

8. Share capital

Authorized and issued share capital

The Company's issued share capital at 30 April 2019 was \$950,799 (2018: \$947,655.30) divided into 95,079,991 Ordinary shares of \$0.01 each.

During the period, the Company issued an additional 314,461 \$1 shares with a nominal value of \$0.01.

	2019 \$000	2018 Restated \$000
Opening balance	948	948
Allotted during the year	3	-
Issued and fully paid up Ordinary Shares	<u>951</u>	<u>948</u>

Each ordinary share carries one vote. The ordinary shares are unrestricted and carry the right to participate equally in any distributions, as respects dividends and as respects capital and are non-redeemable.

9. Parent company and controlling party

The parent company is Big Bus Tours Group Holdings Limited, a company incorporated in the United Kingdom.

The results of the company are currently consolidated by Big Bus Tours Group Holdings Limited. The consolidated financial statements are available to the public and can be obtained from its registered office at 110 Buckingham Palace Road, London, SW1W 9SA and at Companies House, Crown Way, Cardiff CF14 3UZ.

The parent undertaking of the largest group, which includes the Company and for which the group accounts are prepared, is Big Bus Tours Group Holdings Limited. The parent undertaking of the smallest such group is Big Bus Tours Group Holdings 1 Limited, a company incorporated in the United Kingdom at 110 Buckingham Palace Road, London, SW1W 9SA.

The ultimate controlling party is Exponent Private Equity Partners GP III, LP which acquired Big Bus Tours Limited on 18 March 2015.

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Notes *(continued)*

10. Subsequent events

No important events affecting the company and its subsidiary undertakings have occurred since the end of the period.

11. Restatement

In the year ended 30 April 2018 an amendment to a portion of the shareholder loan notes was made, the effect of which was to reduce the interest rate from 10% to 0%. In the prior year financial statements, interest was accrued at the market rate on a portion of the loan notes instead of an imputed interest charge due to the amendment. Additionally interest relating to a loan with another group entity was incorrectly recognised in previous years. The combined effect of the restatement is to reduce shareholder loan notes by \$4.4m, increase capital contributions by \$3.7m, reduce interest expense by \$1m and reduce opening retained profits by \$0.3m.