

Company Registration No. 09876132 (England and Wales)

Excalibur Debtco Limited
Annual Report and Financial Statements
For the period ended 30 September 2018

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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	Wowcher Towers 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 30 September 2018

The directors present the strategic report for the 52 week period ended 30 September 2018 (the "Period").

Results and performance

Excalibur Debtco Limited, 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 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.

The total nominal value of listed loan notes as at 30 September 2018 was £57,836,000 (2017: £45,586,000). The value on the balance sheet at the same date was £70,692,000 (2017: £51,801,000), 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 £6,667,000 (2017: £5,571,000), primarily reflecting interest on borrowings.

The total Shareholders' deficit as at 30 September 2018 was £17,938,000 (2017: £10,684,000).

Principal risks and uncertainties

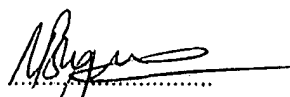
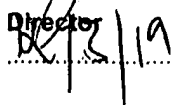
From the perspective of the Company, principal risks and uncertainties are integrated with the principal risks and uncertainties of Excalibur Holdco Limited which are discussed in the Excalibur Holdco Limited consolidated group annual report and financial statements which do not form part of this report.

Other than paying interest on shareholder loan notes, the Company does not trade and therefore the directors are of the opinion that key performance indicators are not relevant for an understanding of the Company's performance.

Future developments

The Company will continue to be an intermediate holding company within the Excalibur Holdco Limited Group, the "Group".

On behalf of the board


.....
Roland Patrick Bryan
Director


Excalibur Debtco Limited

Directors' report

For the period ended 30 September 2018

The directors present their annual report and audited financial statements for the Period ended 30 September 2018.

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 8.

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.

Future developments

These are referred to in the strategic report.

Principal risks

These are referred to in the strategic report.

Statement of disclosure to auditors

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 auditors 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 auditors are aware of that information.

Excalibur Debtco Limited

Directors' report (continued)

For the period ended 30 September 2018

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
D.P.S. 19.....

Excalibur Debtco Limited

Directors' responsibilities statement

For the period ended 30 September 2018

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.

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 30 September 2018 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 30 September 2018; 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

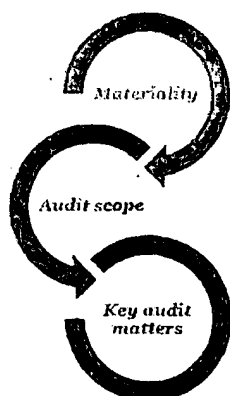
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit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



- Overall materiality: £422,750 (2017: £405,000), based on 1% of total assets capped at group materiality.
 - 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.
 - We have no key audit matters to 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

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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. We determined that there were no key audit matters applicable to the company 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.

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	£422,750 (2017: £405,000).
How we determined it	1% of total assets capped at group materiality.
Rationale for benchmark applied	Excalibur Debtco Limited is a holding and financing entity, holding investments in group companies and external debt which is passed on to group companies, therefore 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 £21,133 (2017: £20,250) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 30 September 2018 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.

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 4, 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.

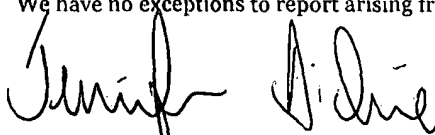
Other required reporting

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.


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

12 March 2019

Excalibur Debtco Limited

Income statement

For the period ended 30 September 2018

		Period ended 30 September 2018 £000	Period ended 1 October 2017 £000
Administrative expenses	Notes	(5)	(3)
Operating loss	3	(5)	(3)
Interest payable and similar expenses	6	(6,662)	(5,568)
Loss before taxation		(6,667)	(5,571)
Taxation on loss on ordinary activities	7	(587)	587
Loss for the Financial Period		(7,254)	(4,984)

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 30 September 2018

	Period ended 30 September 2018 £000	Period ended 1 October 2017 £000
Loss for the financial Period	(7,254)	(4,984)
Other comprehensive income	-	-
Total comprehensive expense for the Period	<u>(7,254)</u>	<u>(4,984)</u>

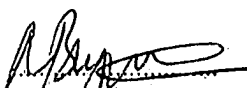
Excalibur Debtco Limited

Statement of financial position

As at 30 September 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	8	344	344
Current assets			
Debtors	10	43,245	40,785
Cash at bank and in hand		9,166	-
		<u>52,411</u>	<u>40,785</u>
Creditors: amounts falling due within one year	11	(1)	(12)
Net current assets		<u>52,410</u>	<u>40,773</u>
Total assets less current liabilities		<u>52,754</u>	<u>41,117</u>
Creditors: amounts falling due after more than one year	12	(70,692)	(51,801)
Net liabilities		<u>(17,938)</u>	<u>(10,684)</u>
Capital and reserves			
Called up share capital	15	3	3
Share premium account		341	341
Profit and loss account		(18,282)	(11,028)
Total equity		<u>(17,938)</u>	<u>(10,684)</u>

The financial statements were approved by the board of directors and authorised for issue on 12/3/19 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 30 September 2018

	Share capital £000	Share premium account £000	Profit and loss account £000	Total £000
Balance at 3 October 2016	3	341	(6,044)	(5,700)
Period ended 1 October 2017:				
Loss and total comprehensive expense for the Period	-	-	(4,984)	(4,984)
Balance at 1 October 2017	3	341	(11,028)	(10,684)
Period ended 30 September 2018:				
Loss and total comprehensive expense for the Period	-	-	(7,254)	(7,254)
Balance at 30 September 2018	3	341	(18,282)	(17,938)

Excalibur Debtco Limited

Notes to the financial statements

For the period ended 30 September 2018

1 Accounting policies

Company information

Excalibur Debtco Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wowcher Towers, 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 financial statements. 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 30 September 2018

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 30 September 2018 consists of 52 weeks (2017 - 52 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 30 September 2018

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 30 September 2018

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 30 September 2018

3 Operating loss

	2018	2017
	£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
	<u> </u>	<u> </u>

The audit fees have been borne by Excalibur Holdco Limited, a Parent entity within the Group.

4 Employees

The Company did not have any employees during the period (2017: nil).

5 Directors' remuneration

No directors received any remuneration for their services to the Company during the period (2017: nil).

6 Interest payable and similar expenses

	2018	2017
	£000	£000
Interest on bank overdrafts and loans	6,439	5,347
Amortisation of finance costs	223	221
	<u> </u>	<u> </u>
	<u>6,662</u>	<u>5,568</u>

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 30 September 2018

7 Taxation on loss on ordinary activities

	2018 £000	2017 £000
Deferred tax		
Origination and reversal of timing differences	586	(431)
Adjustment in respect of prior periods	1	(156)
Total deferred tax	587	(587)

The actual credit for the Period based on the profit or loss and the standard rate of tax as follows:

	2018 £000	2017 £000
Loss before taxation	(6,667)	(5,571)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	(1,267)	(1,086)
Tax effect of expenses that are not deductible in determining taxable profit	632	460
Effect of change in corporation tax rate	62	56
Group relief	50	188
Deferred tax adjustments in respect of prior years	1	(156)
Deferred tax not recognised	1,109	(49)
Taxation charge/(credit) for the period	587	(587)

There is an unrecognised deferred tax asset of £1,109,000 (2017: £nil).

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 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 30 September 2018

8 Fixed asset investments

	Notes	2018 £000	2017 £000
Investments in subsidiaries	9	344	344

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 2 October 2017 & 30 September 2018	344
Carrying amount	
At 30 September 2018	344
At 1 October 2017	344

9 Subsidiaries

Details of the Company's subsidiaries at 30 September 2018 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

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 30 September 2018

10 Debtors

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts due from group undertakings	43,244	40,198
Prepayments and accrued income	1	-
	<u>43,245</u>	<u>40,198</u>
Deferred tax asset (note 14)	-	587
	<u>43,245</u>	<u>40,785</u>

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

11 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts due to group undertakings	1	1
Other creditors	-	10
Accruals and deferred income	-	1
	<u>1</u>	<u>12</u>

12 Creditors: amounts falling due after more than one year

	Notes	2018 £000	2017 £000
Loan notes	13	72,319	53,632
Unamortised loan note issue costs		(1,627)	(1,831)
		<u>70,692</u>	<u>51,801</u>

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	72,319	53,632
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Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 30 September 2018

13 Loans and overdrafts

	2018 £000	2017 £000
Loan notes	72,319	53,632
Payable after one year	72,319	53,632

The Company has Fixed Rate Unsecured Loan Notes with a nominal value £57,836,000 in issue. Interest is calculated at a fixed rate of 10% per annum and the final date for the repayment of the nominal value and accrued interest is 31 December 2025. The total accrued interest on the Loan Notes as at 30 September 2018 is £14,484,000. Issue costs of £2,258,000 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 2018 £000	Assets 2017 £000
Balances:		
Tax losses	-	12
Short term timing differences	-	575
	-	587
Movements in the Period:		2018 £000
Liability/(Asset) at 2 October 2017		(587)
Charge to profit or loss		587
Liability at 30 September 2018		-

15 Called up share capital

	2018 £000	2017 £000
Ordinary share capital		
Issued and fully paid		
343,957 (2017 - 343,957) Ordinary shares of 1p each	3	3

Excalibur Debtco Limited

Notes to the financial statements (continued)

For the period ended 30 September 2018

16 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 a Subscription and Shareholders' Deed relating to such ultimate parent Company (the "Subscription and Shareholders Deed").

The Company has loan notes owed to DMG Media. At the year end, the total balance owed was £21,646,000 (2017: £16,044,000). The total interest charge on the loan notes for the year was £1,927,000 (2017: £1,599,000). On 10 November 2017, £3,675,000 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 Company has loan notes owed to Exponent. At the year end, the total balance owed was £50,507,000 (2017: £37,437,000). The total interest charge on the loan notes for the year was £4,496,000 (2017: £3,732,000). On 10 November 2017, £8,575,000 of additional loan notes were issued to Exponent.

The Company also has loan notes owed to the directors. At the year end, the total balance owed was £144,000 (2017: £151,000). The total interest charge on the loan notes for the year was £14,000 (2017: £16,000). On 26 March 2018, £20,000 of loan notes and £1,000 of accrued interest were transferred to a non-related party.

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 £70,692,000 (2017: £51,801,000) is stated net of capitalised financing costs.

17 Controlling party

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

For the 52 week period ended 30 September 2018, immediate parent company, ultimate parent undertaking and the largest and smallest group to consolidate these financial statements is Excalibur Holdco Limited