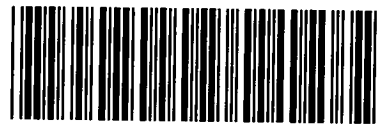


**Strategic Report, Report of the Director and  
Financial Statements for the Year Ended 31 December 2014**  
for  
**Viking River Cruises UK Limited**

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**Viking River Cruises UK Limited**  
**Company Information**  
**for the Year Ended 31 December 2014**

**DIRECTOR:** W C Atkin-Smith

**SECRETARY:** J Richards

**REGISTERED OFFICE:** Nelsons House  
83 Wimbledon Park Side  
London  
SW19 5LP

**REGISTERED NUMBER:** 01283655 (England and Wales)

**AUDITORS:** White Hart Associates (London) Limited  
Chartered Accountants and Statutory Auditors  
East House  
109 South Worple Way  
London  
SW14 8TN

**Strategic Report  
for the Year Ended 31 December 2014**

The director presents her strategic report for the year ended 31 December 2014.

**REVIEW OF BUSINESS AND ANALYSIS OF PERFORMANCE**

The company's 2014 results were a net profit of £2,051,651 (as compared to £1,017,804 in 2013), on turnover of £93,573,347 and cost of sales of £82,739,356, for a gross profit of £10,833,991, representing an increase of £3,090,847 over 2013's gross profit. The overall increase in gross profit is attributable to an increase in passengers carried, along with average revenue booked per passenger, offset by continued tactical discounting. The company expects to continue to book more passengers in future years with the increased capacity and introduction of the ocean product, and as the company continues to establish market presence as part of the Viking Group.

The company benefits from sales to geographically diverse locations, and as such would feel that its exposure to geographical disruption is minimised. The company experiences significant repeat business, and also benefits from significant forward visibility on its cruise bookings, compared to more mass market tour operators.

Total administration expenses were £8,212,776 as compared to 2013 administration expenses of £6,368,994. There has been an increase in advertising costs, rental and associated costs due to the need for more office space, and other expenses directly related to the increase in passenger numbers.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The total value of the financial assets and liabilities are as per the balance sheet and the corresponding notes. None of these have been reclassified in the year.

**Credit risk**

Due to the nature of the company's business whereby individual customers are required to pay for their holiday in full before they are allowed to travel, credit risk is considered a low risk. In the case of sales through travel agents and wholesalers whereby payment may be received after the travel date, ongoing business relationships mean that chasing debts is significantly easier and controls have been put in place to ensure that debts are chased when they are due.

**Liquidity risk**

The company monitors its liquidity risk by closely monitoring the projected cash flows from operations. Risk management includes maintaining sufficient cash and the company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. Due to the dynamic and seasonal nature of the underlying business, the company maintains sufficient cash for its daily operations via short term cash deposits at banks.

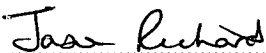
**Market risk**

The company is exposed to currency risk as it regularly trades in Euros and US dollars. In order to reduce this risk the company monitors the exchange rate and uses Euro and US dollar bank accounts.

**Interest rate risk**

Interest rate risk is considered less of an issue for the company as it is not reliant upon receiving interest in order to continue trading and also because it does not have any loans susceptible to changes in interest rates.

**ON BEHALF OF THE BOARD:**



.....  
J Richards - Secretary

Date: ..... 31/03/15 .....

**Report of the Director  
for the Year Ended 31 December 2014**

The director presents her report with the financial statements of the company for the year ended 31 December 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a specialist tour operator.

The company is a fully owned subsidiary of Viking River Cruises (Bermuda) Ltd, a company incorporated in Bermuda, which is a wholly owned subsidiary of Viking River Cruises Ltd, a company also incorporated in Bermuda, which itself is a subsidiary of Viking Cruises Ltd, another company incorporated in Bermuda.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2014.

**FUTURE DEVELOPMENTS**

The company's parent is continuing with its ship building programme (which includes the launch of ocean vessels in 2015 and 2016) which will give a greater future capacity for the company. During 2014, the company continued the various marketing campaigns which have again been successful. The company believes that this continued marketing strategy, along with the increased capacity, and the introduction of a new product, will allow for continued growth and increased customer retention.

**DIRECTOR**

W C Atkin-Smith held office during the whole of the period from 1 January 2014 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 director is also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Director  
for the Year Ended 31 December 2014

**AUDITORS**

The auditors, White Hart Associates (London) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

*Jason Richards*

.....  
J Richards - Secretary

Date: *31/03/15*  
.....

**Report of the Independent Auditors to the Members of  
Viking River Cruises UK Limited**

We have audited the financial statements of Viking River Cruises UK Limited for the year ended 31 December 2014 on pages six to nineteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



M S Caldicott ACA FCCA CTA (Senior Statutory Auditor)  
for and on behalf of White Hart Associates (London) Limited  
Chartered Accountants and Statutory Auditors  
East House  
109 South Worple Way  
London  
SW14 8TN

Date: .....31/03/15.....

Statement of Profit or Loss  
for the Year Ended 31 December 2014

	Notes	2014 £	2013 £
<b>CONTINUING OPERATIONS</b>			
Revenue		93,573,347	68,760,328
Cost of sales		<u>(82,739,356)</u>	<u>(61,017,184)</u>
<b>GROSS PROFIT</b>		10,833,991	7,743,144
Administrative expenses		<u>(8,212,776)</u>	<u>(6,368,994)</u>
<b>OPERATING PROFIT</b>		2,621,215	1,374,150
Finance costs	3	(112,500)	(112,500)
Finance income	3	<u>105,558</u>	<u>84,017</u>
<b>PROFIT BEFORE INCOME TAX</b>	4	2,614,273	1,345,667
Income tax	5	<u>(562,622)</u>	<u>(327,863)</u>
<b>PROFIT FOR THE YEAR</b>		<u><u>2,051,651</u></u>	<u><u>1,017,804</u></u>

**Viking River Cruises UK Limited (Registered number: 01283655)**

**Statement of Profit or Loss and Other Comprehensive Income  
for the Year Ended 31 December 2014**

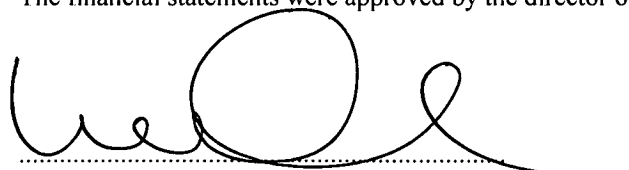
	2014 £	2013 £
<b>PROFIT FOR THE YEAR</b>	2,051,651	1,017,804
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>2,051,651</u>	<u>1,017,804</u>

The notes form part of these financial statements

Statement of Financial Position  
31 December 2014

	Notes	2014 £	2013 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	6	217,634	246,001
Property, plant and equipment	7	217,330	227,616
		<u>434,964</u>	<u>473,617</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	5,479,850	10,050,879
Cash and cash equivalents	9	23,865,101	18,374,886
		<u>29,344,951</u>	<u>28,425,765</u>
<b>TOTAL ASSETS</b>		<u>29,779,915</u>	<u>28,899,382</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	10	50,000	50,000
Retained earnings	11	4,501,579	2,449,928
<b>TOTAL EQUITY</b>		<u>4,551,579</u>	<u>2,499,928</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	12	2,250,000	2,250,000
Deferred tax	14	53,027	57,755
		<u>2,303,027</u>	<u>2,307,755</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	22,547,529	24,041,845
Tax payable		377,780	49,854
		<u>22,925,309</u>	<u>24,091,699</u>
<b>TOTAL LIABILITIES</b>		<u>25,228,336</u>	<u>26,399,454</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>29,779,915</u>	<u>28,899,382</u>

The financial statements were approved by the director on 31 MARCH 2015 and were signed by:

  
.....  
W C Atkin-Smith - Director

Viking River Cruises UK Limited (Registered number: 01283655)

Statement of Changes in Equity  
for the Year Ended 31 December 2014

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2013</b>	50,000	1,432,124	1,482,124
<b>Changes in equity</b>			
Total comprehensive income	-	1,017,804	1,017,804
<b>Balance at 31 December 2013</b>	<u>50,000</u>	<u>2,449,928</u>	<u>2,499,928</u>
<b>Changes in equity</b>			
Total comprehensive income	-	2,051,651	2,051,651
<b>Balance at 31 December 2014</b>	<u>50,000</u>	<u>4,501,579</u>	<u>4,551,579</u>

The notes form part of these financial statements

Statement of Cash Flows  
for the Year Ended 31 December 2014

		2014 £	2013 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,809,629	6,949,074
Interest paid		(112,500)	(112,500)
Tax paid		(239,424)	(474,928)
Net cash from operating activities		<u>3,457,705</u>	<u>6,361,646</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(137,795)	(303,750)
Purchase of tangible fixed assets		(101,794)	(64,142)
Interest received		105,558	84,017
Net cash from investing activities		<u>(134,031)</u>	<u>(283,875)</u>
<b>Cash flows from financing activities</b>			
(Increase)/decrease in group receivables		1,710,607	(3,156,982)
(Decrease)/increase in group payables		455,934	(4,545,997)
Net cash from financing activities		<u>2,166,541</u>	<u>(7,702,979)</u>
Increase/(decrease) in cash and cash equivalents		<u>5,490,215</u>	<u>(1,625,208)</u>
Cash and cash equivalents at beginning of year	2	18,374,886	20,000,094
Cash and cash equivalents at end of year	2	<u><u>23,865,101</u></u>	<u><u>18,374,886</u></u>

Notes to the Statement of Cash Flows  
for the Year Ended 31 December 2014

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2014	2013
	£	£
Profit before income tax	2,614,273	1,345,667
Depreciation charges	278,242	177,478
Finance costs	112,500	112,500
Finance income	(105,558)	(84,017)
	<u>2,899,457</u>	<u>1,551,628</u>
Decrease/(increase) in trade and other receivables	2,860,422	(1,486,960)
(Decrease)/increase in trade and other payables	(1,950,250)	6,884,406
	<u>3,809,629</u>	<u>6,949,074</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts:

Year ended 31 December 2014

	31/12/14	1/1/14
	£	£
Cash and cash equivalents	<u>23,865,101</u>	<u>18,374,886</u>

Year ended 31 December 2013

	31/12/13	1/1/13
	£	£
Cash and cash equivalents	<u>18,374,886</u>	<u>20,000,094</u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2014**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**Revenue recognition**

Revenue is recognised in the income statement when, and to the extent that, the company obtains the right to consideration in exchange for its performance under its contracts - i.e. when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at fair value of the right to consideration, which represents amounts chargeable to customers, including expenses and disbursements but excluding value added tax.

The company regularly makes travel reservations for its customers that relate to trips that will occur after the year end. Client monies received at the balance sheet date relating to trips occurring after the year end are deferred and included in trade and other payables. Travel agency commissions and other revenues received from the sale of third party products are recognised when they are earned.

From time to time, the Group may issue future cruise credits ("FCC") to passengers who have experienced a delay or disruption in their trips, which they can apply to a future booking as payment. Management performs an assessment on the redemption rates of issued FCC's stratified by value and reason for issue based on historical experience. These redemption rates are then applied to the total FCC's issued stratified by value and reason for issuance and an accrued liability is recorded as a reduction to cruise revenue when they are issued. As these FCC's generally expire within a year, the liability established is released if not redeemed by expiration date, and is recorded as an increase to cruise revenue.

**Computer software development**

The company is developing its own sophisticated CRM software and all directly attributable expenditure in relation to this has been capitalised as an intangible asset. The costs are being amortised over their estimated economic life of 3 years and the amortisation is being charged to the profit and loss account. The amortisation period and the potential for any impairment are reviewed at least at each financial year end.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- in accordance with the property
Fixtures, fittings & equipment	- 15% on cost
Computer equipment	- 25% on cost

**Financial instruments**

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

Financial assets include cash and cash equivalents, trade receivables, other receivables, loans and derivative financial instruments. Those relevant to the company are trade and other receivables, which are recorded at their nominal amount less an allowance for any doubtful debts, and cash and cash equivalents which are also recorded at their nominal amount. These financial assets are classified as loans and receivables and so are carried at amortised cost. Gains and losses are recognised in the income statement when the assets are derecognised or impaired, as well as through the amortisation process.

Financial liabilities include trade and other payables, accruals, finance debt and derivative instruments. Those relevant to the company are trade and other payables and accruals which are stated at their nominal value. These financial liabilities are initially recognised at fair value and are then subsequently measured at amortised cost. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised in the income statement.

Equity instruments issued by the company are recorded at the proceeds received net of direct issue costs.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES - continued

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Use of estimates**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. The effect of the use of estimates in these financial statements is not material.

2. EMPLOYEES AND DIRECTORS

	2014	2013
	£	£
Wages and salaries	2,888,040	2,427,917
Social security costs	301,997	255,637
Other pension costs	39,339	32,341
	<u>3,229,376</u>	<u>2,715,895</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Sales and administration	<u>85</u>	<u>78</u>

	2014	2013
	£	£
Director's remuneration	178,321	143,341
Director's pension contributions to money purchase schemes	<u>3,600</u>	<u>3,600</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

In addition to the directors' remuneration figure above are the monetary value of benefits in kind provided amounting to £812 (2013 - £856).

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

3. NET FINANCE COSTS

	2014	2013
	£	£
Finance income:		
Deposit account interest	<u>105,558</u>	<u>84,017</u>
Finance costs:		
Other interest payable	<u>112,500</u>	<u>112,500</u>
Net finance costs	<u>6,942</u>	<u>28,483</u>

4. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2014	2013
	£	£
Cost of inventories recognised as expense	82,739,356	61,017,184
Hire of plant and machinery	58,266	75,138
Other operating leases	141,664	95,312
Depreciation - owned assets	112,080	119,729
Computer software amortisation	166,162	57,749
Auditors' remuneration	29,424	30,785
Foreign exchange differences	<u>135,048</u>	<u>-</u>

5. INCOME TAX

Analysis of tax expense

	2014	2013
	£	£
Current tax:		
Tax	567,350	286,854
Deferred tax	<u>(4,728)</u>	<u>41,009</u>
Total tax expense in statement of profit or loss	<u>562,622</u>	<u>327,863</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

5. INCOME TAX - continued

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before income tax	<u>2,614,273</u>	<u>1,345,667</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	548,997	309,503
Effects of:		
Expenses not deductible for tax purposes	3,129	15,505
Capital allowances for period in excess of depreciation not chargeable	15,224	(38,154)
Movement in deferred taxation	<u>(4,728)</u>	<u>41,009</u>
Tax expense	<u>562,622</u>	<u>327,863</u>

6. INTANGIBLE ASSETS

	Computer software £
<b>COST</b>	
At 1 January 2014	303,750
Additions	<u>137,795</u>
At 31 December 2014	<u>441,545</u>
<b>AMORTISATION</b>	
At 1 January 2014	57,749
Amortisation for year	<u>166,162</u>
At 31 December 2014	<u>223,911</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>217,634</u>
At 31 December 2013	<u>246,001</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

7. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £	Fixtures, fittings & equipment £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2014	188,245	135,168	365,338	688,751
Additions	71,867	-	29,927	101,794
	<u>260,112</u>	<u>135,168</u>	<u>395,265</u>	<u>790,545</u>
<b>DEPRECIATION</b>				
At 1 January 2014	169,092	106,044	185,999	461,135
Charge for year	29,800	14,706	67,574	112,080
	<u>198,892</u>	<u>120,750</u>	<u>253,573</u>	<u>573,215</u>
<b>NET BOOK VALUE</b>				
At 31 December 2014	<u>61,220</u>	<u>14,418</u>	<u>141,692</u>	<u>217,330</u>
At 31 December 2013	<u>19,153</u>	<u>29,124</u>	<u>179,339</u>	<u>227,616</u>

The depreciation charged in respect of improvements to property is over the rental term of each property.

8. TRADE AND OTHER RECEIVABLES

	2014 £	2013 £
Current:		
Trade debtors	13,233	151,630
Amounts owed by group undertakings	2,294,170	4,004,777
Other debtors	48,176	48,359
Staff loans	3,418	5,376
VAT	841,658	844,982
Prepayments and accrued income	2,279,195	4,995,755
	<u>5,479,850</u>	<u>10,050,879</u>

9. CASH AND CASH EQUIVALENTS

	2014 £	2013 £
Cash in hand	3,661	2,010
Bank accounts	23,861,440	18,372,876
	<u>23,865,101</u>	<u>18,374,886</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

10. CALLED UP SHARE CAPITAL - continued

The ordinary shares of £1 each carry full voting rights, full dividend rights and full rights to participation in any capital distribution on winding up.

11. RESERVES

	Retained earnings £
At 1 January 2014	2,449,928
Profit for the year	2,051,651
	<u>4,501,579</u>
At 31 December 2014	<u>4,501,579</u>

12. TRADE AND OTHER PAYABLES

	2014 £	2013 £
Current:		
Payments on account	19,007,798	21,050,570
Trade creditors	1,079,941	1,213,219
Amounts owed to group undertakings	852,458	396,524
Social security and other taxes	173,627	121,424
Other creditors	867,384	886,342
Accruals and deferred income	566,321	373,766
	<u>22,547,529</u>	<u>24,041,845</u>
Non-current:		
Amounts owed to group undertakings	<u>2,250,000</u>	<u>2,250,000</u>
Aggregate amounts	<u>24,797,529</u>	<u>26,291,845</u>

The non-current liability is in respect of a loan that is subordinated to the Civil Aviation Authority and cannot be withdrawn or repaid without their prior written consent.

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2014 £	2013 £
Within one year	232,771	180,381
Between one and five years	352,374	275,357
	<u>585,145</u>	<u>455,738</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014

14. DEFERRED TAX

	2014	2013
	£	£
Balance at 1 January	57,755	16,746
Accelerated capital allowances	(4,728)	41,009
	<u>53,027</u>	<u>57,755</u>

15. CONTINGENT LIABILITIES

At 31 December 2014, there were contingent liabilities outstanding in respect of counter indemnities and guarantees given by the company, in the normal course of business, to the company's bond insurance obligors in respect of Civil Aviation Authority and Association of British Travel Agents bonds amounting to £9,291,422 (2013 - £10,580,096).

16. RELATED PARTY DISCLOSURES

As at 31 December 2014, the company was owed £465,414 (2013 - £3,684,255) by Viking River Tours Ltd (incorporated in Bermuda), a fellow subsidiary, in respect of the use of cruise ships, netted against the reimbursement of advertising costs incurred in the year and transfers between the two companies. The total purchases from Viking River Tours Ltd in the year amounted to £65,158,622 (2013 - £45,640,715).

Also, Viking River Tours Ltd (incorporated in Bermuda) has provided the company with long term loans totalling £2,250,000. As at the balance sheet date the full amounts were outstanding (2013 - £2,250,000). These loans incur interest at 5% per annum (£112,500 - see note 3) and were provided to ensure that the company met its bonding requirements. These loans are subordinated to the Civil Aviation Authority and cannot be withdrawn or repaid without their prior written consent.

Also, the company owed £852,458 (2013 - £45,365) to Viking River Cruises Inc, a fellow subsidiary, in respect of intercompany expenses.

Also, the company owed £Nil (2013 - £2,924) to Viking River Cruises (Bermuda) Ltd, its immediate holding company, in respect of intercompany expenses.

Also, the company was owed £36,786 (2013 - £33,168) by Viking River Cruises Ltd, its parent company, in respect of intercompany expenses.

Also, the company was owed £3,959 (2013 - £719) by Viking River Cruises AG, a fellow subsidiary, in respect of intercompany expenses.

Also, the company was owed £93,397 (2013 - £14,212) by Viking Catering AG, a fellow subsidiary, in respect of intercompany expenses.

Also, the company was owed £69,161 (2013 - £57,330) by Viking Ocean Cruises Finance Limited, a fellow subsidiary, in respect of intercompany expenses.

Also, the company was owed £1,589,555 (2013 - £215,093) by Viking Cruises Limited, a fellow subsidiary, in respect of intercompany expenses.

Also, the company was owed £25,450 (2013 - company owed £348,235) by Viking Ocean Cruises Limited, a fellow subsidiary, in respect of intercompany expenses and customer deposits.

Also, the company was owed £10,448 (2013 - £Nil) by Viking Capital Limited, a fellow subsidiary, in respect of intercompany expenses.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2014**

**17. ULTIMATE CONTROLLING PARTY**

The whole of the company's issued share capital is owned by Viking River Cruises (Bermuda) Ltd, a company registered in Bermuda, following a migration from Viking River Cruises SA, a company incorporated in Luxembourg. Viking River Cruises (Bermuda) Ltd is a wholly owned subsidiary of Viking River Cruises Ltd, another company incorporated in Bermuda, which is itself a subsidiary of Viking Cruises Ltd, another company incorporated in Bermuda. The majority shareholder of Viking Cruises Ltd is MISA Investments Ltd, a company incorporated in Bermuda, whose beneficial owner is Torstein Hagen.

The financial statements will be consolidated into the parent company's financial statements and copies can be obtained from Viking River Cruises Ltd, Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.