

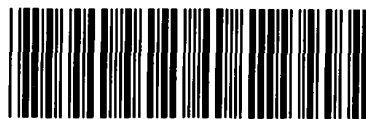
Registered number: 00886808

BALKAN HOLIDAYS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

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BALKAN HOLIDAYS LIMITED

COMPANY INFORMATION

Directors	A Stoyanov M Macura R V Mineva G D Moutaftchiev
Company secretary	A Stoyanov
Registered number	00886808
Registered office	19 Conduit Street London W1S 2BH
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors East House 109 South Worple Way London SW14 8TN

BALKAN HOLIDAYS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Consolidated Income Statement	8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12 - 13
Company Statement of Changes in Equity	14 - 15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 - 35
The following pages do not form part of the statutory financial statements:	
Company Detailed Profit and Loss Account and Summaries	36 - 39

BALKAN HOLIDAYS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017**

Introduction

The company is required by the Companies Act 2006, to set out in this report a fair review of the business of the company during the financial year ended 31 October 2017, and of the position of the company at the year end, and a description of the principal risks and uncertainties facing the company. The review is prepared solely to provide additional information to shareholders to assess the company's strategies and the potential for the strategies to succeed, and the business review should not be relied upon by any other party or for any other purpose.

Business review

The key performance indicators used by the directors to monitor the progress of the company are set out below:-

Key performance indicators

	2017	2016
	£	£
Turnover	41,423,061	39,520,747
Gross profit	2,689,551	2,637,046
Gross profit as a percentage of Turnover	6.49%	6.67%
Profit on ordinary activities before taxation	276,748	220,015
Profit on ordinary activities as a percentage of Turnover	0.67%	0.56%

The turnover for the year was 4.8% higher than the previous year due to an increase in capacity as a result of additional flights and consequently this resulted in an increase in the gross profit.

The directors consider the results to be satisfactory given the continuing difficult economic climate in which the company has and continues to operate.

BALKAN HOLIDAYS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

Principal risks and uncertainties

The following risk factors may affect the group and the company's operating results and its financial position. The risk factors described below are those which the directors believe are potentially significant but should not be regarded as a complete and comprehensive statement of all potential risk and uncertainties facing the group.

- Regulatory risk: The group is exposed to various regulators, including the Civil Aviation Authority ("CAA"), which issues an Air Travel Organisers Licence ("ATOL"), which is required in order for the company to operate. This licence is renewed in March each year and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA website (www.caa.co.uk).

- Geo-political events and natural disasters: The nature of the business operation exposes the group and company to a wide range of Geo-political natural disasters. To counter this the group and company operate a flexible business model with the ability to shift capacity amongst a variety of destinations where necessary.


Commercial relationships: The group and company have well established and close relationships with customers and suppliers and the risk is spread by not placing over-reliance on any one supplier in any particular area. However, if a relationship were lost or damaged with a major supplier this could have a detrimental effect on the business. The management team meets regularly with suppliers to maintain good working relationships and to understand the suppliers financial position.

- Information technology: The group and company are heavily reliant upon information technology. Investment is being made to ensure the group and company have advanced and efficient systems in place, but there is a risk if there were a major failure - particularly if it were to affect selling systems. Procedures are in place to minimise the time a selling system is unavailable in the event of such failure.

- Financial risk: The group and company operates in a sector that is exposed to the financial risk caused by the volatility of foreign currency exchange rates. The group and company is directly exposed to movements in exchange rates as a large proportion of the travel components it sells are denominated in foreign currency. This risk is managed through the use of hedging.

This report was approved by the board on 13 December 2017 and signed on its behalf.

A Stoyanov
Director



BALKAN HOLIDAYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present their report and the financial statements for the year ended 31 October 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Principal activity

The company's principal activity during the year continued to be that of a tour operator, in the main operating package and independent holidays to Bulgaria. The company holds an Air Travel Organisers Licence ("ATOL") No.0252 granted by the Civil Aviation Authority, is a member of ABTA and is IATA accredited.

The principal activity of the company's wholly owned subsidiary, Balkan Holidays Aviation Limited, continued to be that of a transport provider to Balkan Holidays Limited under the TOMS VAT Transport Company Scheme. Balkan Holidays Aviation Limited holds ATOL No. TRA979298 granted by the Civil Aviation Authority.

BALKAN HOLIDAYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2017**

Results and dividends

The profit for the year, after taxation, amounted to £215,074 (2016 - £173,219).

No dividends were paid or proposed for the year.

Directors

The directors who served during the year were:

A Stoyanov
M Macura
R V Mineva
G D Moutaftchiev

Future developments

During the forthcoming accounting period, the directors aim to maintain the management policies which have resulted in the company's continued profitable trading. The company aims to increase on-line sales and diversify product and sales according to the market trends, which would lead to growth in turnover and profitability.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

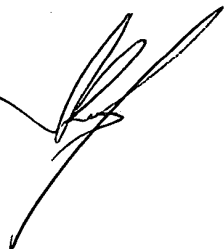
There have been no significant events affecting the Group since the year end.

Auditors

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 December 2017 and signed on its behalf.

A Stoyanov
Director



BALKAN HOLIDAYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BALKAN HOLIDAYS LIMITED

Opinion

We have audited the financial statements of Balkan Holidays Limited for the year ended 31 October 2017, set out on pages 8 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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 Group's or the parent 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.

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BALKAN HOLIDAYS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BALKAN HOLIDAYS LIMITED
(CONTINUED)**

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 this regard.

Opinion 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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

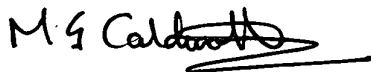
BALKAN HOLIDAYS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BALKAN HOLIDAYS LIMITED
(CONTINUED)**

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' Report.



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

13 December 2017

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Note	2017 £	2016 £
Turnover	4	41,423,061	39,520,747
Cost of sales		(38,733,510)	(36,883,701)
Gross profit		2,689,551	2,637,046
Distribution costs		(371,091)	(439,885)
Administrative expenses		(2,395,585)	(2,156,600)
Other operating income	5	328,412	133,760
Operating profit	6	251,287	174,321
Interest receivable and similar income	10	26,071	45,745
Interest payable and similar expenses	11	(610)	(51)
Profit before tax		276,748	220,015
Tax on profit	12	(61,674)	(46,796)
Profit for the financial year		215,074	173,219
Profit for the year attributable to:			
Owners of the parent		215,074	173,219
		215,074	173,219

The notes on pages 17 to 35 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Note	2017 £	2016 £
Profit for the financial year		215,074	173,219
Other comprehensive income			
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(86,640)	5,479,068
Fair value gain/(loss) - cash flow hedge		31,839	(49,864)
Income tax relating to components of other comprehensive income		68,884	(1,017,098)
Other comprehensive income for the year		14,083	4,412,106
Total comprehensive income for the year		229,157	4,585,325
Profit for the year attributable to:			
Owners of the parent Company		215,074	173,219
		215,074	173,219
Total comprehensive income attributable to:			
Owners of the parent Company		229,157	4,585,325
		229,157	4,585,325

BALKAN HOLIDAYS LIMITED
REGISTERED NUMBER: 00886808

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	10,350,759	10,487,418
		<u>10,350,759</u>	<u>10,487,418</u>
Current assets			
Debtors: amounts falling due within one year	16	1,069,509	1,008,626
Cash at bank and in hand	17	4,486,635	4,941,377
		<u>5,556,144</u>	<u>5,950,003</u>
Creditors: amounts falling due within one year	18	(4,606,274)	(5,289,221)
Net current assets		<u>949,870</u>	<u>660,782</u>
Total assets less current liabilities		<u>11,300,629</u>	<u>11,148,200</u>
Creditors: amounts falling due after more than one year	19	-	(3,148)
Provisions for liabilities			
Deferred taxation	21	(1,282,804)	(1,356,384)
		<u>(1,282,804)</u>	<u>(1,356,384)</u>
Net assets		<u>10,017,825</u>	<u>9,788,668</u>
Capital and reserves			
Called up share capital	22	687,000	687,000
Revaluation reserve	23	7,848,790	7,866,546
Hedging cash flow reserve	23	34,013	2,174
Profit and loss account	23	1,448,022	1,232,948
Equity attributable to owners of the parent Company		<u>10,017,825</u>	<u>9,788,668</u>
		<u>10,017,825</u>	<u>9,788,668</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2017.

A Stoyanov
Director

The notes on pages 17 to 35 form part of these financial statements.

BALKAN HOLIDAYS LIMITED
REGISTERED NUMBER: 00886808

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	10,350,759	10,487,418
Investments	15	2,000	2,000
		<u>10,352,759</u>	<u>10,489,418</u>
Current assets			
Debtors: amounts falling due within one year	16	936,359	880,552
Cash at bank and in hand	17	4,462,946	4,815,239
		<u>5,399,305</u>	<u>5,695,791</u>
Creditors: amounts falling due within one year	18	(4,534,425)	(5,113,518)
Net current assets		<u>864,880</u>	<u>582,273</u>
Total assets less current liabilities		<u>11,217,639</u>	<u>11,071,691</u>
Creditors: amounts falling due after more than one year	19	-	(3,148)
Provisions for liabilities			
Deferred taxation	21	(1,282,804)	(1,356,384)
		<u>(1,282,804)</u>	<u>(1,356,384)</u>
Net assets excluding pension asset		<u>9,934,835</u>	<u>9,712,159</u>
Net assets		<u>9,934,835</u>	<u>9,712,159</u>
Capital and reserves			
Called up share capital	22	687,000	687,000
Revaluation reserve	23	7,848,790	7,866,546
Hedging cash flow reserve	23	34,013	2,174
Profit and loss account	23	1,365,032	1,156,439
		<u>9,934,835</u>	<u>9,712,159</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2017.

A Stoyanov
Director



BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 November 2016	687,000	7,866,546	2,174	1,232,948	9,788,668
Comprehensive income for the year					
Profit for the year	-	-	-	215,074	215,074
Revaluation gain/(loss) on leasehold property	-	(86,640)	-	-	(86,640)
Fair value gain/(loss) - cash flow hedge	-	-	31,839	-	31,839
Income tax relating to components of other comprehensive income	-	68,884	-	-	68,884
Other comprehensive income for the year	-	(17,756)	31,839	-	14,083
Total comprehensive income for the year	-	(17,756)	31,839	215,074	229,157
Total transactions with owners	-	-	-	-	-
At 31 October 2017	687,000	7,848,790	34,013	1,448,022	10,017,825

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 November 2015	687,000	3,404,576	52,038	2,559,729	6,703,343
Comprehensive income for the year					
Profit for the year	-	-	-	173,219	173,219
Revaluation gain/(loss) on leasehold property	-	5,479,068	-	-	5,479,068
Fair value gain/(loss) - cash flow hedge	-	-	(49,864)	-	(49,864)
Income tax relating to components of other comprehensive income	-	(1,017,098)	-	-	(1,017,098)
Other comprehensive income for the year	-	4,461,970	(49,864)	-	4,412,106
Total comprehensive income for the year	-	4,461,970	(49,864)	173,219	4,585,325
Dividends: Equity capital	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners	-	-	-	(1,500,000)	(1,500,000)
At 31 October 2016	687,000	7,866,546	2,174	1,232,948	9,788,668

The notes on pages 17 to 35 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Revaluation reserve	Hedging cash flow reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 November 2016	687,000	7,866,546	2,174	1,156,439	9,712,159
Comprehensive income for the year					
Profit for the year	-	-	-	208,593	208,593
Revaluation gain/(loss) on leasehold property	-	(86,640)	-	-	(86,640)
Fair value gain/(loss) - cash flow hedge	-	-	31,839	-	31,839
Income tax relating to components of other comprehensive income	-	68,884	-	-	68,884
Other comprehensive income for the year	-	(17,756)	31,839	-	14,083
Total comprehensive income for the year	-	(17,756)	31,839	208,593	222,676
Total transactions with owners	-	-	-	-	-
At 31 October 2017	687,000	7,848,790	34,013	1,365,032	9,934,835

BALKAN HOLIDAYS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital £	Revaluation reserve £	Hedging cash flow reserve £	Profit and loss account £	Total equity £
At 1 November 2015	687,000	3,404,576	52,038	2,490,313	6,633,927
Comprehensive income for the year					
Profit for the year	-	-	-	166,126	166,126
Revaluation gain/(loss) on leasehold property	-	5,479,068	-	-	5,479,068
Fair value gain/(loss) - cash flow hedge	-	-	(49,864)	-	(49,864)
Income tax relating to components of other comprehensive income	-	(1,017,098)	-	-	(1,017,098)
Other comprehensive income for the year	-	4,461,970	(49,864)	-	4,412,106
Total comprehensive income for the year	-	4,461,970	(49,864)	166,126	4,578,232
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners	-	-	-	(1,500,000)	(1,500,000)
At 31 October 2016	687,000	7,866,546	2,174	1,156,439	9,712,159

The notes on pages 17 to 35 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	215,074	173,219
Adjustments for:		
Depreciation of tangible assets	73,106	66,590
Interest paid	610	51
Interest received	(26,071)	(45,745)
Taxation charge	61,674	46,796
Decrease/(increase) in debtors	3,917	(58,904)
(Decrease)/increase in creditors	(715,039)	1,490,280
Net fair value (gains)/losses recognised in P&L	(32,961)	-
Corporation tax (paid)	(30,462)	(41,786)
Net cash generated from operating activities	(450,152)	1,630,501
Cash flows from investing activities		
Purchase of tangible fixed assets	(23,102)	(124,265)
Sale of tangible fixed assets	15	42,255
Interest received	26,071	45,745
HP interest paid	(610)	(51)
Net cash from investing activities	2,374	(36,316)
Cash flows from financing activities		
Repayment of/new finance leases	(6,964)	10,112
Dividends paid	-	(1,500,000)
Net cash used in financing activities	(6,964)	(1,489,888)
Net (decrease)/increase in cash and cash equivalents	(454,742)	104,297
Cash and cash equivalents at beginning of year	4,941,377	4,837,080
Cash and cash equivalents at the end of year	4,486,635	4,941,377
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,486,635	4,941,377
	4,486,635	4,941,377

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. General information

Balkan Holidays Limited is a company domiciled in England and Wales, registration number 00886808. The registered office is 19 Conduit Street, London, W1S 2BH.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 November 2014.

2.3 Revenue

Turnover represents the value, net of value added tax and discounts, of travel arrangements provided to customers, recognised on the date of departure basis.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	- over 100 years
Motor vehicles	- over 3 years
Fixtures and fittings	- over 5 years
Computer equipment	- over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Income Statement.

2.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Income Statement unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.9 Financial instruments (continued)

derivatives are recognised in profit or loss in finance costs or income as appropriate.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Hedge accounting

The Group uses foreign currency forward contracts to manage its exposure to cash flow risk on its recognised and highly probable liabilities. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Income Statement within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the Consolidated Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)**2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Pensions**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Interest income

Interest income is recognised in the Consolidated Income Statement using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies 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 estimates are recognised in the period in which the estimates are 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.

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Tour operator	41,423,061	39,520,747
	<u>41,423,061</u>	<u>39,520,747</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	41,423,061	39,520,747
	<u>41,423,061</u>	<u>39,520,747</u>

5. Other operating income

	2017 £	2016 £
Operating lease rentals - land and building	234,986	117,500
Profit on disposal of tangible assets	2,484	10,295
Foreign exchange gain	90,942	5,965
	<u>328,412</u>	<u>133,760</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	73,106	66,590
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	28,650	27,575
Exchange differences	(90,942)	(5,965)
Defined contribution pension cost	57,032	99,089

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>28,650</u>	<u>27,575</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>197</u>	<u>392</u>
	<u>197</u>	<u>392</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	1,455,723	1,241,007	1,423,728	1,211,868
Social security costs	146,553	118,974	146,553	118,974
Cost of defined contribution scheme	57,032	99,089	57,032	99,089
	<u>1,659,308</u>	<u>1,459,070</u>	<u>1,627,313</u>	<u>1,429,931</u>

Included in wages and salaries above are benefits in kind amounting to £51,876 (2016 - £45,695).

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

	2017 No.	2016 No.
Administration	21	20
Marketing	5	5
Sales	18	18
	<u>44</u>	<u>43</u>

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL)

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	166,737	124,891
Company contributions to defined contribution pension schemes	29,470	84,749
	<u>196,207</u>	<u>209,640</u>

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

Included in director's emoluments above are benefits in kind amounting to £19,881 (2016 - £16,556).

10. Interest receivable

	2017 £	2016 £
Other interest receivable	26,071	45,745
	<u>26,071</u>	<u>45,745</u>

11. Interest payable and similar charges

	2017 £	2016 £
Finance leases and hire purchase contracts	610	51
	<u>610</u>	<u>51</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	66,370	30,463
	<u>66,370</u>	<u>30,463</u>
Total current tax	<u>66,370</u>	<u>30,463</u>
Deferred tax		
Origination and reversal of timing differences	(4,696)	16,333
Total deferred tax	<u>(4,696)</u>	<u>16,333</u>
Taxation on profit on ordinary activities	<u>61,674</u>	<u>46,796</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	276,748	220,015
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	52,582	44,003
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,426	81
Capital allowances for year in excess of depreciation	7,362	(13,621)
Deferred tax movement	(4,696)	16,333
Total tax charge for the year	<u>61,674</u>	<u>46,796</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

13. Dividends

	2017 £	2016 £
Dividends paid during the year	-	1,500,000
	<u>-</u>	<u>1,500,000</u>

14. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 November 2016	10,350,000	116,312	112,575	181,163	10,760,050
Additions	-	4,836	-	18,266	23,102
Disposals	-	(13,490)	-	(18,958)	(32,448)
At 31 October 2017	<u>10,350,000</u>	<u>107,658</u>	<u>112,575</u>	<u>180,471</u>	<u>10,750,704</u>
Depreciation					
At 1 November 2016	8,625	24,181	108,134	131,692	272,632
Charge for the year on owned assets	16,860	30,011	4,119	17,719	68,709
Charge for the year on financed assets	-	4,397	-	-	4,397
Disposals	-	(13,490)	-	(18,943)	(32,433)
On revalued assets	86,640	-	-	-	86,640
At 31 October 2017	<u>112,125</u>	<u>45,099</u>	<u>112,253</u>	<u>130,468</u>	<u>399,945</u>
Net book value					
At 31 October 2017	<u>10,237,875</u>	<u>62,559</u>	<u>322</u>	<u>50,003</u>	<u>10,350,759</u>
At 31 October 2016	<u>10,341,375</u>	<u>92,131</u>	<u>4,441</u>	<u>49,471</u>	<u>10,487,418</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Long leasehold	10,237,875	10,341,375
	<u>10,237,875</u>	<u>10,341,375</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Motor vehicles	8,061	12,458
	<u>8,061</u>	<u>12,458</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

14. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 November 2016	10,350,000	116,312	112,575	181,163	10,760,050
Additions	-	4,836	-	18,266	23,102
Disposals	-	(13,490)	-	(18,958)	(32,448)
At 31 October 2017	10,350,000	107,658	112,575	180,471	10,750,704
Depreciation					
At 1 November 2016	8,625	24,181	108,134	131,692	272,632
Charge for the year on owned assets	16,860	30,011	4,119	17,719	68,709
Charge for the year on financed assets	-	4,397	-	-	4,397
Disposals	-	(13,490)	-	(18,943)	(32,433)
On revalued assets	86,640	-	-	-	86,640
At 31 October 2017	112,125	45,099	112,253	130,468	399,945
Net book value					
At 31 October 2017	10,237,875	62,559	322	50,003	10,350,759
At 31 October 2016	10,341,375	92,131	4,441	49,471	10,487,418

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Long leasehold	10,237,875	10,341,375
	<u>10,237,875</u>	<u>10,341,375</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2017 £	2016 £
Cost	1,686,032	1,686,032
Accumulated depreciation	(425,723)	(408,863)
Net book value	<u>1,260,309</u>	<u>1,277,169</u>

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Balkan Holidays Aviation Limited	Ordinary	100 %	Transport company

Name	Registered office
Balkan Holidays Aviation Limited	19 Conduit Street, London, W1S 2BH

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

15. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 October 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Balkan Holidays Aviation Limited	84,990	6,481
	<u>84,990</u>	<u>6,481</u>
Company		
		Investments in subsidiary companies £
Cost or valuation		
At 1 November 2016		2,000
At 31 October 2017		<u>2,000</u>
Net book value		
At 31 October 2017		<u>2,000</u>
At 31 October 2016		<u>2,000</u>

16. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	582,551	700,675	582,551	700,675
Other debtors	2,754	42,227	2,111	200
Prepayments and accrued income	417,230	263,550	284,723	177,503
Financial instruments	66,974	2,174	66,974	2,174
	<u>1,069,509</u>	<u>1,008,626</u>	<u>936,359</u>	<u>880,552</u>

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

17. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	4,486,635	4,941,377	4,462,946	4,815,239
	<u>4,486,635</u>	<u>4,941,377</u>	<u>4,462,946</u>	<u>4,815,239</u>

18. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	1,133,370	2,635,135	293,544	1,893,455
Amounts owed to group undertakings	-	-	785,214	570,450
Corporation tax	66,370	30,462	64,809	28,689
Other taxation and social security	184,967	188,965	184,967	188,965
Obligations under finance lease and hire purchase contracts	3,148	6,964	3,148	6,964
Other creditors	29,422	29,375	29,422	29,375
Accruals and deferred income	527,233	461,057	511,557	458,357
Advance cash received	2,661,764	1,937,263	2,661,764	1,937,263
	<u>4,606,274</u>	<u>5,289,221</u>	<u>4,534,425</u>	<u>5,113,518</u>

19. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Net obligations under finance leases and hire purchase contracts	-	3,148	-	3,148
	<u>-</u>	<u>3,148</u>	<u>-</u>	<u>3,148</u>

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Within one year	3,148	6,964	3,148	6,964
Between 1-2 years	-	3,148	-	3,148
	<u>3,148</u>	<u>10,112</u>	<u>3,148</u>	<u>10,112</u>

21. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	(1,356,384)	(322,953)
Charged to profit or loss	4,696	(16,333)
Charged to other comprehensive income	68,884	(1,017,098)
At end of year	<u>(1,282,804)</u>	<u>(1,356,384)</u>

BALKAN HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

21. Deferred taxation (continued)

Company

	2017 £	2016 £
At beginning of year	(1,356,384)	(322,953)
Charged to profit or loss	4,696	(16,333)
Charged to other comprehensive income	68,884	(1,017,098)
At end of year	(1,282,804)	(1,356,384)

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Accelerated capital allowances	(9,140)	(13,836)	(9,140)	(13,836)
Revaluation of property	(1,273,664)	(1,342,548)	(1,273,664)	(1,342,548)
	(1,282,804)	(1,356,384)	(1,282,804)	(1,356,384)

22. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
687,000 Ordinary shares of £1 each	687,000	687,000

23. Reserves

Revaluation reserve

The revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relate to a previous increase on the same asset.

Hedging cash flow reserve

The hedging cash flow reserve represents the effectiveness of the company's hedging activities at the date of the statement of financial position.

Profit and loss account

The profit and loss account represents the net distributable reserves of the company at the date of the statement of financial position.

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

24. Contingent liabilities

At 31 October 2017, there were contingent liabilities outstanding in respect of counter indemnities and guarantees given by the company and the group, in the normal course of business, to the company's bond obligors in respect of ABTA travel bonds amounting to £38,000 (2016 - £22,000).

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £57,032 (2016 - £99,089). Contributions totalling £1,680 (2016 - £1,736) were payable to the fund at the reporting date and are included in creditors.

26. Controlling party

The immediate and ultimate parent undertaking is Dotbern Investments Limited, a company registered in Jersey. Its registered office is located c/o Capita Trustees Limited, 12 Castle Street, St Helier, Jersey, JE2 3RT.