
BALKAN HOLIDAYS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

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 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

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 - 34

BALKAN HOLIDAYS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

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 2018, 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

	2018	2017
	£	£
Turnover	46,368,295	41,423,061
Gross profit	2,994,879	2,689,551
Gross profit as a percentage of Turnover	6.46%	6.49%
Profit on ordinary activities before taxation	335,126	276,748
Profit on ordinary activities as a percentage of Turnover	0.72%	0.67%

The turnover for the year was 11.9% 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.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018

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 10 December 2018 and signed on its behalf.

A Stoyanov
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2018**

The directors present their report and the financial statements for the year ended 31 October 2018.

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 2018

Results and dividends

The profit for the year, after taxation, amounted to £266,435 (2017 - £215,074).

An interim dividend of £1.1645 per share was paid on 4 May 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 October 2018 will be £800,000.

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 sales through retail and diversify product and sales according to the market trends, which could 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 10 December 2018 and signed on its behalf.

A Stoyanov
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BALKAN HOLIDAYS LIMITED

Opinion

We have audited the financial statements of Balkan Holidays Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2018, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. 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).

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 2018 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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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

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 or 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.

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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

M S Caldicott ACA FCCA CTA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

10 December 2018

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £	2017 £
Turnover	4	46,368,295	41,423,061
Cost of sales		(43,373,416)	(38,733,510)
Gross profit		2,994,879	2,689,551
Distribution costs		(461,003)	(371,091)
Administrative expenses		(2,533,113)	(2,395,585)
Other operating income	5	284,243	328,412
Operating profit	6	285,006	251,287
Interest receivable and similar income	10	50,384	26,071
Interest payable and similar expenses	11	(264)	(610)
Profit before tax		335,126	276,748
Tax on profit	12	(68,691)	(61,674)
Profit for the financial year		266,435	215,074
Profit for the year attributable to:			
Owners of the parent		266,435	215,074
		266,435	215,074

The notes on pages 17 to 34 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £	2017 £
Profit for the financial year		266,435	215,074
Other comprehensive income			
Unrealised surplus/(deficit) on revaluation of tangible fixed assets		2,116,985	(86,640)
Fair value (loss)/gain - cash flow hedge		(10,171)	31,839
Income tax relating to components of other comprehensive income		(196,568)	68,884
Other comprehensive income for the year		1,910,246	14,083
Total comprehensive income for the year		2,176,681	229,157
Profit for the year attributable to:			
Owners of the parent Company		266,435	215,074
		266,435	215,074
Total comprehensive income attributable to:			
Owners of the parent Company		2,176,681	229,157
		2,176,681	229,157

The notes on pages 17 to 34 form part of these financial statements.

BALKAN HOLIDAYS LIMITED
REGISTERED NUMBER: 00886808

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	12,495,086	10,350,759
		<u>12,495,086</u>	<u>10,350,759</u>
Current assets			
Debtors: amounts falling due within one year	16	1,157,707	1,069,509
Cash at bank and in hand	17	4,969,767	4,486,635
		<u>6,127,474</u>	<u>5,556,144</u>
Creditors: amounts falling due within one year	18	(5,742,768)	(4,606,274)
Net current assets		<u>384,706</u>	<u>949,870</u>
Total assets less current liabilities		<u>12,879,792</u>	<u>11,300,629</u>
Provisions for liabilities			
Deferred taxation	19	(1,485,286)	(1,282,804)
		<u>(1,485,286)</u>	<u>(1,282,804)</u>
Net assets		<u>11,394,506</u>	<u>10,017,825</u>
Capital and reserves			
Called up share capital	20	687,000	687,000
Revaluation reserve	21	9,769,207	7,848,790
Foreign exchange reserve	21	23,842	34,013
Profit and loss account	21	914,457	1,448,022
Equity attributable to owners of the parent		<u>11,394,506</u>	<u>10,017,825</u>
Company		<u>11,394,506</u>	<u>10,017,825</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 December 2018.

A Stoyanov
Director

The notes on pages 17 to 34 form part of these financial statements.

BALKAN HOLIDAYS LIMITED
REGISTERED NUMBER: 00886808

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	12,495,086	10,350,759
Investments	15	2,000	2,000
		<u>12,497,086</u>	<u>10,352,759</u>
Current assets			
Debtors: amounts falling due within one year	16	922,182	936,359
Cash at bank and in hand	17	4,944,533	4,462,946
		<u>5,866,715</u>	<u>5,399,305</u>
Creditors: amounts falling due within one year	18	(5,573,492)	(4,534,425)
Net current assets		<u>293,223</u>	<u>864,880</u>
Total assets less current liabilities		<u>12,790,309</u>	<u>11,217,639</u>
Provisions for liabilities			
Deferred taxation	19	(1,485,286)	(1,282,804)
		<u>(1,485,286)</u>	<u>(1,282,804)</u>
Net assets		<u><u>11,305,023</u></u>	<u><u>9,934,835</u></u>
Capital and reserves			
Called up share capital	20	687,000	687,000
Revaluation reserve	21	9,769,207	7,848,790
Foreign exchange reserve	21	23,842	34,013
Profit and loss account	21	824,974	1,365,032
		<u><u>11,305,023</u></u>	<u><u>9,934,835</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 December 2018.

A Stoyanov
Director

The notes on pages 17 to 34 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital £	Revaluation reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 November 2017	687,000	7,848,790	34,013	1,448,022	10,017,825
Comprehensive income for the year					
Profit for the year	-	-	-	266,435	266,435
Revaluation gain/(loss) on leasehold property	-	2,116,985	-	-	2,116,985
Fair value gain/(loss) - cash flow hedge	-	-	(10,171)	-	(10,171)
Income tax relating to components of other comprehensive income	-	(196,568)	-	-	(196,568)
Other comprehensive income for the year	-	1,920,417	(10,171)	-	1,910,246
Total comprehensive income for the year	-	1,920,417	(10,171)	266,435	2,176,681
Dividends: Equity capital	-	-	-	(800,000)	(800,000)
Total transactions with owners	-	-	-	(800,000)	(800,000)
At 31 October 2018	687,000	9,769,207	23,842	914,457	11,394,506

The notes on pages 17 to 34 form part of these financial statements.

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

The notes on pages 17 to 34 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital £	Revaluation reserve £	Hedging cash flow reserve £	Profit and loss account £	Total equity £
At 1 November 2017	687,000	7,848,790	34,013	1,365,032	9,934,835
Comprehensive income for the year					
Profit for the year	-	-	-	259,942	259,942
Revaluation gain/(loss) on leasehold property	-	2,116,985	-	-	2,116,985
Fair value gain/(loss) - cash flow hedge	-	-	(10,171)	-	(10,171)
Income tax relating to components of other comprehensive income	-	(196,568)	-	-	(196,568)
Other comprehensive income for the year	-	1,920,417	(10,171)	-	1,910,246
Total comprehensive income for the year	-	1,920,417	(10,171)	259,942	2,170,188
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(800,000)	(800,000)
Total transactions with owners	-	-	-	(800,000)	(800,000)
At 31 October 2018	687,000	9,769,207	23,842	824,974	11,305,023

The notes on pages 17 to 34 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

The notes on pages 17 to 34 form part of these financial statements.

BALKAN HOLIDAYS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	266,435	215,074
Adjustments for:		
Depreciation of tangible assets	80,550	73,106
Interest paid	264	610
Interest received	(50,384)	(26,071)
Taxation charge	68,691	61,674
(Increase)/decrease in debtors	(96,428)	3,917
Increase/(decrease) in creditors	1,143,235	(715,039)
Net fair value (gains) recognised in P&L	(1,941)	(32,961)
Corporation tax (paid)	(66,370)	(30,462)
Net cash generated from operating activities	<u>1,344,052</u>	<u>(450,152)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(108,224)	(23,102)
Sale of tangible fixed assets	332	15
Interest received	50,384	26,071
HP interest paid	(264)	(610)
Net cash from investing activities	<u>(57,772)</u>	<u>2,374</u>
Cash flows from financing activities		
Repayment of/new finance leases	(3,148)	(6,964)
Dividends paid	(800,000)	-
Net cash used in financing activities	<u>(803,148)</u>	<u>(6,964)</u>
Net increase/(decrease) in cash and cash equivalents	<u>483,132</u>	<u>(454,742)</u>
Cash and cash equivalents at beginning of year	4,486,635	4,941,377
Cash and cash equivalents at the end of year	<u><u>4,969,767</u></u>	<u><u>4,486,635</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,969,767	4,486,635
	<u><u>4,969,767</u></u>	<u><u>4,486,635</u></u>

The notes on pages 17 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.3 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'.

2.4 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.

2.5 Interest income

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

2.6 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.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.8 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 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.

2.16 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 the 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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.

2.17 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.

2.18 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.

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 judgments, 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 2018**

4. Turnover

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

	2018 £	2017 £
Tour operator	46,368,295	41,423,061
	<u>46,368,295</u>	<u>41,423,061</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	46,368,295	41,423,061
	<u>46,368,295</u>	<u>41,423,061</u>

5. Other operating income

	2018 £	2017 £
Operating lease rentals - land and building	271,000	234,986
Profit on disposal of tangible assets	(182)	2,484
Foreign exchange gains	13,425	90,942
	<u>284,243</u>	<u>328,412</u>

6. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	80,550	73,106
Exchange differences	(13,425)	(90,942)
Defined contribution pension cost	<u>78,624</u>	<u>57,032</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

7. Auditors' remuneration

	2018	<i>2017</i>
	£	<i>£</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>28,050</u>	<u><i>28,650</i></u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>210</u>	<u><i>197</i></u>
	<u>210</u>	<u><i>197</i></u>

8. Employees

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2018	<i>2017</i>	2018	<i>2017</i>
	£	<i>£</i>	£	<i>£</i>
Wages and salaries	1,455,760	<i>1,455,723</i>	1,427,230	<i>1,423,728</i>
Social security costs	146,311	<i>146,553</i>	146,311	<i>146,553</i>
Cost of defined contribution scheme	78,624	<i>57,032</i>	78,624	<i>57,032</i>
	<u>1,680,695</u>	<u><i>1,659,308</i></u>	<u>1,652,165</u>	<u><i>1,627,313</i></u>

Included in wages and salaries above are benefits in kind amounting to £49,789 (2017 - £51,876).

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

	2018	<i>2017</i>
	No.	<i>No.</i>
Administration	21	<i>21</i>
Marketing	5	<i>5</i>
Sales	18	<i>18</i>
	<u>44</u>	<u><i>44</i></u>

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

9. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	132,783	166,737
Company contributions to defined contribution pension schemes	43,100	29,470
	<u>175,883</u>	<u>196,207</u>

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

Included in director's emoluments above are benefits in kind amounting to £21,257 (2017 - £19,881).

10. Interest receivable

	2018	2017
	£	£
Other interest receivable	50,384	26,071
	<u>50,384</u>	<u>26,071</u>

11. Interest payable and similar expenses

	2018	2017
	£	£
Finance leases and hire purchase contracts	264	610
	<u>264</u>	<u>610</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

12. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	62,777	66,370
	<u>62,777</u>	<u>66,370</u>
Total current tax	<u>62,777</u>	<u>66,370</u>
Deferred tax		
Origination and reversal of timing differences	5,914	(4,696)
	<u>5,914</u>	<u>(4,696)</u>
Total deferred tax	<u>5,914</u>	<u>(4,696)</u>
Taxation on profit on ordinary activities	<u>68,691</u>	<u>61,674</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>335,126</u>	<u>276,748</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	63,674	52,582
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,648	6,426
Capital allowances for year in excess of depreciation	(4,545)	7,362
Deferred tax movement	5,914	(4,696)
Total tax charge for the year	<u>68,691</u>	<u>61,674</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantially enacted as part of Finance Bill 2016 (in September 2016). These include reductions to the main rate to reduce the rate to 17% from April 2020. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

13. Dividends

	2018 £	2017 £
Dividends paid during the year	800,000	-
	<u>800,000</u>	<u>-</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

14. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 November 2017	10,350,000	107,658	293,046	10,750,704
Additions	-	14,550	93,674	108,224
Disposals	-	-	(77,215)	(77,215)
Revaluations	2,050,000	-	-	2,050,000
At 31 October 2018	12,400,000	122,208	309,505	12,831,713
Depreciation				
At 1 November 2017	112,125	45,099	242,721	399,945
Charge for the year on owned assets	16,860	35,531	23,762	76,153
Charge for the year on financed assets	-	4,397	-	4,397
Disposals	-	-	(76,883)	(76,883)
On revalued assets	(66,985)	-	-	(66,985)
At 31 October 2018	62,000	85,027	189,600	336,627
Net book value				
At 31 October 2018	12,338,000	37,181	119,905	12,495,086
At 31 October 2017	10,237,875	62,559	50,325	10,350,759

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

	2018 £	2017 £
Long leasehold	12,338,000	10,237,875
	<u>12,338,000</u>	<u>10,237,875</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

14. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 November 2017	10,350,000	107,658	293,046	10,750,704
Additions	-	14,550	93,674	108,224
Disposals	-	-	(77,215)	(77,215)
Revaluations	2,050,000	-	-	2,050,000
At 31 October 2018	12,400,000	122,208	309,505	12,831,713
Depreciation				
At 1 November 2017	112,125	45,099	242,721	399,945
Charge for the year on owned assets	16,860	35,531	23,762	76,153
Charge for the year on financed assets	-	4,397	-	4,397
Disposals	-	-	(76,883)	(76,883)
On revalued assets	(66,985)	-	-	(66,985)
At 31 October 2018	62,000	85,027	189,600	336,627
Net book value				
At 31 October 2018	12,338,000	37,181	119,905	12,495,086
At 31 October 2017	10,237,875	62,559	50,325	10,350,759

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

14. Tangible fixed assets (continued)

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

	2018 £	2017 £
Long leasehold	12,338,000	10,237,875
	<u>12,338,000</u>	<u>10,237,875</u>

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

	2018 £	2017 £
Group		
Cost	1,686,032	1,686,032
Accumulated depreciation	(442,583)	(425,723)
Net book value	<u>1,243,449</u>	<u>1,260,309</u>

Long leasehold relates to a long lease property. The Company in the main operates from these sole premises, but also sublets part to an unconnected party at full market rental terms. The leasehold was revalued on 24 April 2018, by Cushman & Wakefield LLP, external Chartered Surveyors, at an open market with an estimated realisation price of £12,400,000.

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 2018**

15. Fixed asset investments (continued)

Company

**Investments in
subsidiary
companies
£**

Cost or valuation

At 1 November 2017 2,000

At 31 October 2018 2,000

Net book value

At 31 October 2018 2,000

At 31 October 2017 2,000

16. Debtors

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Trade debtors	568,223	582,551	568,223	582,551
Other debtors	129,796	2,754	6,477	2,111
Prepayments and accrued income	400,943	417,230	288,737	284,723
Financial instruments	58,745	66,974	58,745	66,974
	<u>1,157,707</u>	<u>1,069,509</u>	<u>922,182</u>	<u>936,359</u>

17. Cash and cash equivalents

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Cash at bank and in hand	4,969,767	4,486,635	4,944,533	4,462,946
	<u>4,969,767</u>	<u>4,486,635</u>	<u>4,944,533</u>	<u>4,462,946</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

18. Creditors: Amounts falling due within one year

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Advance cash received	2,800,079	2,661,764	2,800,079	2,661,764
Trade creditors	2,023,372	1,133,370	1,401,004	293,544
Amounts owed to group undertakings	-	-	488,243	785,214
Corporation tax	62,777	66,370	61,254	64,809
Other taxation and social security	217,563	184,967	217,563	184,967
Obligations under finance lease and hire purchase contracts	-	3,148	-	3,148
Other creditors	29,457	29,422	29,457	29,422
Accruals and deferred income	609,520	527,233	575,892	511,557
	<u>5,742,768</u>	<u>4,606,274</u>	<u>5,573,492</u>	<u>4,534,425</u>

19. Deferred taxation

Group

	2018 £	<i>2017 £</i>
At beginning of year	(1,282,804)	(1,356,384)
Charged to profit or loss	(5,914)	4,696
Charged to other comprehensive income	(196,568)	68,884
At end of year	<u>(1,485,286)</u>	<u>(1,282,804)</u>

BALKAN HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

19. Deferred taxation (continued)

Company

	2018 £	2017 £
At beginning of year	(1,282,804)	(1,356,384)
Charged to profit or loss	(5,914)	4,696
Charged to other comprehensive income	(196,568)	68,884
At end of year	(1,485,286)	(1,282,804)

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Accelerated capital allowances	(15,055)	(9,140)	(15,055)	(9,140)
Revaluation of property	(1,470,231)	(1,273,664)	(1,470,231)	(1,273,664)
	<u>(1,485,286)</u>	<u>(1,282,804)</u>	<u>(1,485,286)</u>	<u>(1,282,804)</u>

20. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
687,000 (2017 - 687,000) Ordinary shares of £1.00 each	<u>687,000</u>	<u>687,000</u>

21. 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.

Foreign exchange 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

22. Contingent liabilities

At 31 October 2018, 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 £42,500 (2017 - £38,000).

23. 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 £78,624 (2017 - £57,032). Contributions totalling £3,041 (2017 - £1,680) were payable to the fund at the reporting date and are included in creditors.

24. Commitments under operating leases

The Group and the Company had no commitments under non-cancellable operating leases as at the reporting date.

25. Finance lease commitments

The Group and the Company had no hire purchase and finance lease commitments as at the reporting date.

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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.