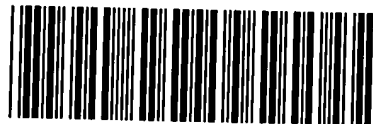


REGISTERED NUMBER: 03286143 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2016
for
Beech View Holdings Limited**

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for the Year Ended 31 December 2016**

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Beech View Holdings Limited

**Company Information
for the Year Ended 31 December 2016**

DIRECTORS:

P M Slowe
R M Slowe
K Slowe
T Pastorius
G Thomson

SECRETARY:

G Thomson

REGISTERED OFFICE:

Aldsworth Parade
Goring By Sea
West Sussex
BN12 4TX

REGISTERED NUMBER:

03286143 (England and Wales)

AUDITORS:

Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
10-14 Accommodation Road
Golders Green
London
NW11 8ED

Beech View Holdings Limited (Registered number: 03286143)

**Group Strategic Report
for the Year Ended 31 December 2016**

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

The principal activities of the Group continue to be to facilitate overseas projects for applicants from the United Kingdom and the rest of the world.

The results for the year are set out on page 7.

The main key performance indicators (KPI's) of the Group are turnover, gross profit margin and profit on ordinary activities before taxation.

Group turnover has increased over the previous year from £18,250,109 to £18,932,292. A percentage increase of 3.7%. There has been a reduction in the Group gross profit margin from 42% in 2015 to 39.9% in 2016 and an increase in the profit before taxation from £469,753 in 2015 to £1,100,989 in 2016.

The Group has incurred a corporation tax charge of £85,553 (2015 - £321,751).

The Group has faced a decline in bookings in 2016 however revenue has held steady mainly due to the post-EU referendum fall in Sterling - 80% of the Groups income is in non-Sterling. The directors are aware of rising costs and are continuing to make efficiency-savings and taking measure to control costs. A new CEO was appointed in August 2016 and a 3-year Strategic Plan agreed to grow the business. To achieve this the Group is focusing on enhancing staff capacity, improving customer satisfaction, expanding brand awareness, converting more leads into sales and expanding our product line.

The Group maintains a healthy balance sheet with net assets of £4,490,732 (2015 - £4,550,099).

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through a framework of policies, procedures, internal controls and detailed knowledge of the market.

The principal risks of the Group are increased competition in our established markets, the threat of terrorism, and global health scares, most notably Zika virus in 2016. The Group has a broad portfolio of destinations that helps spread the impact of each of these risks. The Group is also entering into new and emerging markets while also working on increasing its market share in its established markets.

FUTURE DEVELOPMENTS

Management will continue to implement the Strategic Plan and are committed to increasing revenue through increasing bookings. Particular attention is being paid to our internet marketing efforts, alumni services, Group Trips, emerging markets, staff training and creating new products for younger customers. A notable development in the next 12 months will be the development of brand new websites.

ON BEHALF OF THE BOARD:



P M Slowe - Director

19 September 2017

Beech View Holdings Limited (Registered number: 03286143)

**Report of the Directors
for the Year Ended 31 December 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary £1 shares	£40.00	- 9 February 2016
Preference £1 shares	£1.50	- 31 March 2016
	£1.50	- 30 June 2016
	£1.50	- 30 September 2016
	£1.50	- 31 December 2016
	<u>£6.00</u>	

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 December 2016 will be £1,092,532.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

P M Slowe
R M Slowe
K Slowe
T Pastorius
G Thomson

RISK MANAGEMENT

The group's risk financial risk management has been documented in note 22 of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Beech View Holdings Limited (Registered number: 03286143)

Report of the Directors

for the Year Ended 31 December 2016

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Grunberg & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P M Slowe', with a stylized 'X' mark to the left.

P M Slowe - Director

19 September 2017

Report of the Independent Auditors to the Members of Beech View Holdings Limited

We have audited the financial statements of Beech View Holdings Limited for the year ended 31 December 2016 on pages seven to thirty. The financial reporting framework that has been applied in their preparation is 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'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

**Report of the Independent Auditors to the Members of
Beech View Holdings Limited**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

Gedalia Waldman BA ACA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
10-14 Accommodation Road
Golders Green
London
NW11 8ED

22 September 2017

Beech View Holdings Limited (Registered number: 03286143)

**Consolidated Income Statement
for the Year Ended 31 December 2016**

	Notes	2016 Continuing £	2016 Discontinued £	2016 Total £
TURNOVER	3	18,932,292	-	18,932,292
Cost of sales		(11,383,385)	(3,151)	(11,386,536)
GROSS PROFIT/(LOSS)		7,548,907	(3,151)	7,545,756
Administrative expenses		(6,143,864)	(335,351)	(6,479,215)
		1,405,043	(338,502)	1,066,541
Other operating income		11,201	339	11,540
OPERATING PROFIT/(LOSS)	5	1,416,244	(338,163)	1,078,081
Interest receivable and similar income		23,189	-	23,189
Interest payable and similar expenses	7	(281)	-	(281)
PROFIT/(LOSS) BEFORE TAXATION		1,439,152	(338,163)	1,100,989
Tax on profit/(loss)	8	(77,822)	(7,731)	(85,553)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,361,330	(345,894)	1,015,436
Profit/(loss) attributable to: Owners of the parent				1,015,436

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Consolidated Income Statement
for the Year Ended 31 December 2016**

	Notes	2015 Continuing £	2015 Discontinued £	2015 Total £
TURNOVER	3	18,250,109	-	18,250,109
Cost of sales		(10,581,129)	-	(10,581,129)
GROSS PROFIT		7,668,980	-	7,668,980
Administrative expenses		(6,906,910)	(393,573)	(7,300,483)
		762,070	(393,573)	368,497
Other operating income		71,958	182	72,140
OPERATING PROFIT/(LOSS)	5	834,028	(393,391)	440,637
Interest receivable and similar income		31,604	-	31,604
Interest payable and similar expenses	7	(2,488)	-	(2,488)
PROFIT/(LOSS) BEFORE TAXATION		863,144	(393,391)	469,753
Tax on profit/(loss)	8	(312,623)	(3,409)	(316,032)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		550,521	(396,800)	153,721
Profit/(loss) attributable to: Owners of the parent				153,721

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Consolidated Other Comprehensive Income
for the Year Ended 31 December 2016**

	Notes	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
PROFIT FOR THE YEAR		1,015,436	153,721
OTHER COMPREHENSIVE INCOME			
Consolidation reserve		17,729	18,871
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		17,729	18,871
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,033,165	172,592
Total comprehensive income attributable to: Owners of the parent		1,033,165	172,592

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Consolidated Statement of Financial Position
31 December 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	11	50,868	125,397
Investments	12	-	-
		<u>50,868</u>	<u>125,397</u>
CURRENT ASSETS			
Debtors	13	2,115,929	2,038,379
Cash at bank and in hand		6,190,520	6,936,477
		<u>8,306,449</u>	<u>8,974,856</u>
CREDITORS			
Amounts falling due within one year	14	3,816,987	4,504,630
NET CURRENT ASSETS		<u>4,489,462</u>	<u>4,470,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,540,330</u>	<u>4,595,623</u>
CREDITORS			
Amounts falling due after more than one year	15	49,598	45,524
NET ASSETS		<u><u>4,490,732</u></u>	<u><u>4,550,099</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	36,002	36,002
Consolidation reserve	19	(29,516)	(47,245)
Retained earnings	19	4,484,246	4,561,342
SHAREHOLDERS' FUNDS		<u><u>4,490,732</u></u>	<u><u>4,550,099</u></u>

The financial statements were approved by the Board of Directors on 19 September 2017 and were signed on its behalf by:



P M Slowe - Director

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Company Statement of Financial Position
31 December 2016**

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		30,300		43,760
Investments	12		130,895		130,895
			<u>161,195</u>		<u>174,655</u>
CURRENT ASSETS					
Debtors	13	3,442,466		2,708,900	
Cash at bank		<u>2,844,176</u>		<u>2,821,542</u>	
		6,286,642		5,530,442	
CREDITORS					
Amounts falling due within one year	14	<u>3,137,550</u>		<u>2,512,520</u>	
NET CURRENT ASSETS			<u>3,149,092</u>		<u>3,017,922</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,310,287		3,192,577
CREDITORS					
Amounts falling due after more than one year	15		<u>1,977</u>		<u>2,856</u>
NET ASSETS			<u>3,308,310</u>		<u>3,189,721</u>
CAPITAL AND RESERVES					
Called up share capital	18		36,002		36,002
Retained earnings	19		<u>3,272,308</u>		<u>3,153,719</u>
SHAREHOLDERS' FUNDS			<u>3,308,310</u>		<u>3,189,721</u>
Company's profit for the financial year			<u>1,211,121</u>		<u>3,182,714</u>

The financial statements were approved by the Board of Directors on 19 September 2017 and were signed on its behalf by:



P M Slowe - Director

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2016**

	Called up share capital £	Retained earnings £	Consolidation reserve £	Total equity £
Balance at 31 December 2014	36,002	4,468,953	(66,116)	4,438,839
Changes in equity				
Dividends	-	(61,332)	-	(61,332)
Total comprehensive income	-	153,721	18,871	172,592
Balance at 31 December 2015	<u>36,002</u>	<u>4,561,342</u>	<u>(47,245)</u>	<u>4,550,099</u>
Changes in equity				
Dividends	-	(1,092,532)	-	(1,092,532)
Total comprehensive income	-	1,015,436	17,729	1,033,165
Balance at 31 December 2016	<u><u>36,002</u></u>	<u><u>4,484,246</u></u>	<u><u>(29,516)</u></u>	<u><u>4,490,732</u></u>

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Company Statement of Changes in Equity
for the Year Ended 31 December 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 31 December 2014	36,002	32,337	68,339
Changes in equity			
Dividends	-	(61,332)	(61,332)
Total comprehensive income	-	3,182,714	3,182,714
Balance at 31 December 2015	<u>36,002</u>	<u>3,153,719</u>	<u>3,189,721</u>
Changes in equity			
Dividends	-	(1,092,532)	(1,092,532)
Total comprehensive income	-	1,211,121	1,211,121
Balance at 31 December 2016	<u><u>36,002</u></u>	<u><u>3,272,308</u></u>	<u><u>3,308,310</u></u>

The notes form part of these financial statements

Beech View Holdings Limited (Registered number: 03286143)

**Consolidated Statement of Cash Flows
for the Year Ended 31 December 2016**

		Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	633,590	128,414
Interest paid		(281)	(2,488)
Tax paid		(268,490)	(238,170)
Net cash from operating activities		<u>364,819</u>	<u>(112,244)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(40,118)	(54,647)
Sale of tangible fixed assets		6,448	-
Interest received		23,189	31,604
Net cash from investing activities		<u>(10,481)</u>	<u>(23,043)</u>
Cash flows from financing activities			
Capital repayments in year		(879)	(408)
Amount withdrawn by directors		(6,884)	8,428
Equity dividends paid		(1,092,532)	(61,332)
Net cash from financing activities		<u>(1,100,295)</u>	<u>(53,312)</u>
Decrease in cash and cash equivalents		<u>(745,957)</u>	<u>(188,599)</u>
Cash and cash equivalents at beginning of year	2	6,936,477	7,125,076
Cash and cash equivalents at end of year	2	<u><u>6,190,520</u></u>	<u><u>6,936,477</u></u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 December 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Profit before taxation	1,100,989	469,753
Depreciation charges	73,276	72,015
Loss on disposal of fixed assets	34,923	64
Consolidation adjustments	17,727	20,934
Finance costs	281	2,488
Finance income	(23,189)	(31,604)
	<u>1,204,007</u>	<u>533,650</u>
Increase in trade and other debtors	(77,548)	(310,468)
Decrease in trade and other creditors	(492,869)	(94,768)
	<u>633,590</u>	<u>128,414</u>
Cash generated from operations	<u>633,590</u>	<u>128,414</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>6,190,520</u>	<u>6,936,477</u>

Period ended 31 December 2015

	31.12.15 £	31.12.14 £
Cash and cash equivalents	<u>6,936,477</u>	<u>7,125,076</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016.**

1. STATUTORY INFORMATION

Beech View Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of Beech View Holdings Limited and all its subsidiary undertakings drawn up to 31 December 2016. The subsidiaries of the group have taken exemption under FRS102 and FRS102 section 1A from preparing individual cash flows.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements.

The individual accounts of Beech View Holdings Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

Business combinations and investments in subsidiaries

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquire plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. Included in the individual company financial statements are investments in subsidiaries, on which an impairment judgement is made.

There are no other material items in the financial statements where these judgements and estimates have been made.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents net sales of services and supplies, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office equipment	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments in non-puttable ordinary shares.

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 profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term 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.

Creditors

Short term creditors are measured at transaction price.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency translation

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Leases

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Revenue recognition

Revenue is recognised at the point of a customer's departure on a project abroad, in line with the standard approach for the travel industry. All associated costs are recognised and included within cost of sales.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Provision of services	18,932,292	18,250,109
	<u>18,932,292</u>	<u>18,250,109</u>

An analysis of turnover by geographical market is given below:

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
United Kingdom	3,598,728	3,667,835
North America	4,959,671	4,506,704
Europe and Rest of the World	10,373,893	10,075,570
	<u>18,932,292</u>	<u>18,250,109</u>

4. **EMPLOYEES AND DIRECTORS**

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Wages and salaries	1,713,122	2,006,556
Social security costs	45,709	35,769
Other pension costs	9,131	11,893
	<u>1,767,962</u>	<u>2,054,218</u>

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

	Year Ended 31.12.16	Period 31.12.14 to 31.12.15
Directors	4	4
Recruitment offices	22	20
Sales and marketing	37	55
Administration	6	6
Operations	62	42
Destinations	12	16
	<u>143</u>	<u>143</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees by undertakings that are proportionately consolidated during the year was 64.

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Directors' remuneration	<u>359,558</u>	<u>282,823</u>

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

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

Information regarding the highest paid director is as follows:

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Emoluments etc	<u>218,249</u>	<u>185,717</u>

During the year, pension contributions of £600 (2015 - £650) were made into a defined benefit scheme on behalf of a director.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Depreciation - owned assets	73,276	72,015
Loss on disposal of fixed assets	34,923	64
Auditors' remuneration	58,658	51,263
Foreign exchange differences	<u>(68,098)</u>	<u>127,836</u>

6. EXCEPTIONAL ITEMS

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Exceptional items	<u>-</u>	<u>(598,852)</u>

Included within administrative expenses in the prior year is an exceptional item totalling £598,852 which related to a provision, for a legal dispute brought against the group. The provision has been reversed in the current year, following settlement of the dispute.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Bank interest	281	2,488

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Current tax:		
UK corporation tax	101,682	277,009
Underprovision in prior year	-	(4,677)
Foreign corporation tax	(16,129)	49,239
Total current tax	85,553	321,571
Deferred tax	-	(5,539)
Tax on profit	85,553	316,032

Reconciliation of total tax charge included in profit and loss

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

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Profit before tax	1,100,989	469,753
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.088%)	220,198	94,364
Effects of:		
Expenses not deductible for tax purposes	3,982	181,287
Capital allowances in excess of depreciation	2,879	1,358
Foreign subsidiaries tax effect	(16,129)	49,239
Prior year litigation provision	(125,377)	-
Over-provision in prior year	-	(4,677)
Deferred tax	-	(5,539)
Total tax charge	85,553	316,032

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	2016	
	Gross £	Tax £
Consolidation reserve	17,729	-
	<u>17,729</u>	<u>-</u>
	31.12.14 to 31.12.15	
	Gross £	Tax £
Consolidation reserve	18,871	-
	<u>18,871</u>	<u>-</u>

Following Budget 2015 announcements, there will be a reduction in the main rate of UK corporation tax to 19% from 1 April 2017.

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	Year Ended 31.12.16 £	Period 31.12.14 to 31.12.15 £
Ordinary shares of £1 each Interim	1,031,200	-
Preference shares of £1 each Interim	61,332	61,332
	<u>1,092,532</u>	<u>61,332</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

11. TANGIBLE FIXED ASSETS

Group

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2016	207,537	95,153	50,000	68,028	420,718
Additions	24,929	6,783	-	8,406	40,118
Disposals	(165,145)	-	-	(5,779)	(170,924)
At 31 December 2016	<u>67,321</u>	<u>101,936</u>	<u>50,000</u>	<u>70,655</u>	<u>289,912</u>
DEPRECIATION					
At 1 January 2016	140,556	78,384	21,875	54,506	295,321
Charge for year	41,907	10,114	7,031	14,224	73,276
Eliminated on disposal	(123,775)	-	-	(5,778)	(129,553)
At 31 December 2016	<u>- 58,688</u>	<u>88,498</u>	<u>28,906</u>	<u>62,952</u>	<u>239,044</u>
NET BOOK VALUE					
At 31 December 2016	<u>8,633</u>	<u>13,438</u>	<u>21,094</u>	<u>7,703</u>	<u>50,868</u>
At 31 December 2015	<u>66,981</u>	<u>16,769</u>	<u>28,125</u>	<u>13,522</u>	<u>125,397</u>

During the year, no impairment provisions have been made against any class of tangible fixed assets.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Computer equipment £
COST	
At 1 January 2016	2,447
Disposals	(2,447)
At 31 December 2016	-
DEPRECIATION	
At 1 January 2016	1,224
Eliminated on disposal	(1,224)
At 31 December 2016	-
NET BOOK VALUE	
At 31 December 2016	-
At 31 December 2015	<u>1,223</u>

Notes to the Consolidated Financial Statements - continued

for the Year Ended 31 December 2016

11. TANGIBLE FIXED ASSETS - continued

Company

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2016	39,575	19,863	50,000	22,466	131,904
Additions	-	510	-	1,133	1,643
Disposals	-	-	-	(3,450)	(3,450)
At 31 December 2016	39,575	20,373	50,000	20,149	130,097
DEPRECIATION					
At 1 January 2016	32,938	16,313	21,875	17,018	88,144
Charge for year	1,660	1,015	7,031	5,397	15,103
Eliminated on disposal	-	-	-	(3,450)	(3,450)
At 31 December 2016	34,598	17,328	28,906	18,965	99,797
NET BOOK VALUE					
At 31 December 2016	4,977	3,045	21,094	1,184	30,300
At 31 December 2015	6,637	3,550	28,125	5,448	43,760

During the year, no impairment provisions have been made against any class of tangible fixed assets.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Computer equipment £
COST	
At 1 January 2016	2,447
Disposals	(2,447)
At 31 December 2016	-
DEPRECIATION	
At 1 January 2016	1,224
Eliminated on disposal	(1,224)
At 31 December 2016	-
NET BOOK VALUE	
At 31 December 2016	-
At 31 December 2015	1,223

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

12. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 January 2016 and 31 December 2016	<u>130,895</u>
NET BOOK VALUE	
At 31 December 2016	<u>130,895</u>
At 31 December 2015	<u>130,895</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Projects Abroad (UK) Limited

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad (Europe) Limited

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad Travel Limited

Registered office: United Kingdom

Nature of business: Facilitating overseas travel for UK customers

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad Incorporated

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad Limited

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Beech View Holdings Limited (Registered number: 03286143)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016**

12. FIXED ASSET INVESTMENTS - continued

Sivakasi Projects Abroad Private Limited

Registered office: India

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Sivakasi Projects Abroad Private Limited ceased trading on 10th March 2016.

Beechview Holdings Mexico S.A. De C.V.

Registered office: Mexico

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary	100.00

Projects Abroad (Shanghai) Business Consulting Co. Limited

Registered office: China

Nature of business: Business consultancy

	%
Class of shares:	holding
Ordinary	100.00

Projects Abroad Brasov SRL

Registered office: Romania

Nature of business: Web hosting and website creation

	%
Class of shares:	holding
Ordinary	100.00

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	530,939	283,206	-	-
Amounts owed by group undertakings	2	-	3,430,255	2,691,925
Other debtors	415,004	582,358	-	-
Value added tax	27,657	28,919	-	-
Deferred tax asset	3,668	3,668	-	-
Prepayments and accrued income	1,138,659	1,140,228	12,211	16,975
	<u>2,115,929</u>	<u>2,038,379</u>	<u>3,442,466</u>	<u>2,708,900</u>

Deferred tax asset

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax	<u>3,668</u>	<u>3,668</u>	<u>-</u>	<u>-</u>

During the year, no impairment provisions have been made against any class of debtor.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Hire purchase contracts (see note 16)	879	879	879	879
Trade creditors	475,271	420,162	-	-
Amounts owed to group undertakings	-	-	3,133,080	2,501,166
Corporation tax	30,433	213,370	-	-
Social security and other taxes	92,918	78,012	-	-
Other creditors	275,196	177,366	-	-
Directors' current accounts	3,591	10,475	3,591	10,475
Accruals and deferred income	2,938,699	3,604,366	-	-
	<u>3,816,987</u>	<u>4,504,630</u>	<u>3,137,550</u>	<u>2,512,520</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Hire purchase contracts (see note 16)	1,977	2,856	1,977	2,856
Other creditors	47,621	42,668	-	-
	<u>49,598</u>	<u>45,524</u>	<u>1,977</u>	<u>2,856</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	879	879
Between one and five years	1,977	2,856
	<u>2,856</u>	<u>3,735</u>

Company

	Hire purchase contracts	
	2016	2015
	£	£
Net obligations repayable:		
Within one year	879	879
Between one and five years	1,977	2,856
	<u>2,856</u>	<u>3,735</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

16. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	26,750	26,750
Between one and five years	133,750	40,125
In more than five years	414,625	-
	<u>575,125</u>	<u>66,875</u>

17. DEFERRED TAX

Group

	£
Balance at 1 January 2016	(3,668)
Balance at 31 December 2016	<u>(3,668)</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
25,780	Ordinary	£1	25,780	25,780
10,222	Preference	£1	10,222	10,222
			<u>36,002</u>	<u>36,002</u>

Each of the ordinary and preference shares have full voting and dividend rights.

19. RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Consolidation reserve comprises current and prior period consolidation adjustments including translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£).

Retained earnings includes all current and prior period retained profits and losses.

20. RELATED PARTY DISCLOSURES

During the year, total dividends of £762,572 were paid to the directors.

During the period under review, rent of £26,749 (2015 - £26,750) was paid to an entity controlled by a sibling of a director. From this sum, £22,555 (2015 - £22,488) was recharged to fellow subsidiary undertakings.

Also during the period under review, consultancy fees of £80,079 (2015 - £25,000) were paid to another sibling of a director. From this sum, £67,086 (2015 - £24,203) was recharged to fellow subsidiary undertakings.

During the year, in addition to directors' remuneration, key management personnel received remuneration amounting to £119,995 (2015 - £139,882).

21. **ULTIMATE CONTROLLING PARTY**

The company is controlled by the director, Dr P M Slowe, by virtue of his majority shareholding.

22. **FINANCIAL RISK MANAGEMENT**

The group has exposures to two main areas of risk - foreign exchange currency exposure and liquidity risk.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies. The exposure of each currency is managed using a natural hedge, holding cash in various currencies that are used by the group when needed.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available.

23. **FINANCIAL ASSETS & LIABILITIES**

	2016 £	2015 £
Financial assets measured at amortised cost	<u>7,164,123</u>	<u>7,830,961</u>
Financial liabilities measured at amortised cost	<u>704,536</u>	<u>654,406</u>

All financial assets and liabilities are held at amortised cost.

24. **FIRST YEAR ADOPTION**

These are the first financial statements that comply with FRS 102. The group transitioned to FRS 102 on 31 December 2014.

No material transitional adjustments were required in equity or profit and loss for the year.