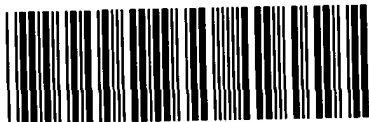


Company Registration No. 06537480 (England and Wales)

**CLASS TOURS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 OCTOBER 2019**

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# **CLASS TOURS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	N S English P M Bryant P R Maslin
<b>Company number</b>	06537480
<b>Registered office</b>	Verulam House 142 Old Shoreham Road Hove East Sussex BN3 7BD
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

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# CLASS TOURS LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 31 OCTOBER 2019

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The directors present the strategic report for the period ended 31 October 2019.

#### **Fair review of the business**

The group purchased a new subsidiary on 25 March 2019, The Travel Adventure Limited.

The group saw an 27% increase in turnover in the 11 month period from £12.3m to £15.6m. Net profit for the 11 month period to 31 October 2019 was £165,713 (2018: £122,626).

Gross margins were lower as the business dealt with the ongoing impact of the EU Referendum, including the value of Sterling, plus some late cancellations at our centres around the scheduled dates for exiting the EU. As a result of that and one off exceptional costs, Net Profit remained flat year on year.

The company's accounting period was shortened to 31 October 2019 following the acquisition of its subsidiary, The Travel Adventure Limited, such that all group companies had a coterminous year end. The current year financial statements cover the period from 1 December 2018 to 31 October 2019, comparative figures (including related notes) are for the year ended 30 November 2018.

#### **Future developments**

The Directors expect turnover to grow in 2020, both organically and following the acquisition of The Travel Adventure Limited in 2019. The Directors expect gross margins to improve as business returns to our fixed cost centres. As well as growing the business organically, the Directors are looking to develop the business through further corporate and property acquisitions.

#### **Key Performance Indicators**

The performance indicators are considered to be:

	Period to 31 October 2019	Year to 30 November 2018
Turnover	£15,648,247	£12,329,491
Gross profit margin	25.5%	28.1%
Sales growth	27%	11%
Full regulatory compliance (ABTA & ATOL)	Yes	Yes

Customer satisfaction and employee retention are important non-financial key performance indicators, performance against which was considered satisfactory for the year.

#### **Principal risks and uncertainties**

##### *Economic environment*

The group is reliant on discretionary consumer spending on driving demand for its educational trips. With ongoing volatility in the market, including uncertainty following the UK's exit from the EU, we remain focused on delivering high levels of customer service and exceptional value for money.

##### *Competition*

Competition in the educational travel market is intense and we mitigate this threat by focusing on the educational benefits of our trips, providing excellent customer service and competitive pricing. We monitor our competition to ensure we are always at the forefront in terms of educational benefit and value for money to consumers.

##### *Financial Risk*

The group's principal financial instruments are bank balances, trade and other creditors, and trade debtors and other debtors. The main purpose of these financial instruments is to maintain funds for the company's operations.

# CLASS TOURS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2019

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### Principal risks and uncertainties (continued)

#### *Financing Risk*

The company is indirectly through its parent, partly funded through a debt facility, which, in line with standard facilities of this nature have certain covenants attached. We manage this risk through regular analysis of business performance relative to covenants, as well as looking at both historic and forecast periods.

#### *Exchange Rate Risk*

The group faces transactional exposure primarily relating to the cost of acquiring accommodation and operating our centres. The main exposure to exchange rate fluctuations is in relation to the Euro/Sterling exchange rates. This risk is managed by entering into forward contracts, maintaining appropriate levels of currency reserves to match our forward booking profile and adjusting our pricing accordingly.

On behalf of the board

  
.....  
N S English  
Director

Date: 6/3/2020

# CLASS TOURS LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 OCTOBER 2019

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The directors present their annual report and financial statements for the period ended 31 October 2019.

#### Principal activities

The principal activity of the company and group continued to be that of a specialist tour operator.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

N S English

P M Bryant

P R Maslin

#### Results and dividends

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

Ordinary dividends of £1,832,725 were declared and paid during the period. The Directors do not recommend the payment of a final dividend.

#### Auditor

RSM UK Audit LLP have expressed their willingness to continue in office as auditor and the appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of the Annual General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

  
.....  
N S English

Director

Date: 6/3/2020

# **CLASS TOURS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019**

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The directors are responsible for preparing the Strategic Report and the Directors' Report 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 group and company, 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS TOURS LIMITED**

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### **Opinion**

We have audited the financial statements of Class Tours Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 October 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, 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 FRS 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 the parent company's affairs as at 31 October 2019 and of the group's profit for the period 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

### **Opinions on other matters 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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS TOURS LIMITED (CONTINUED)

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### 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

### Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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.

*RSM UK Audit LLP*

Zoe Rudling (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG  
*6 March 2020*

# CLASS TOURS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 OCTOBER 2019

		Period ended 31 October 2019 £	Year ended 30 November 2018 £
	Notes		
Turnover	3	15,648,247	12,329,491
Cost of sales		(11,656,818)	(8,868,828)
<b>Gross profit</b>		<b>3,991,429</b>	<b>3,460,663</b>
Administrative expenses		(3,763,318)	(3,270,284)
Other operating income		12,071	218
<b>Operating profit</b>	<b>6</b>	<b>240,182</b>	<b>190,597</b>
Share of results of associates and joint ventures		(905)	11,900
Interest receivable and similar income	8	4,113	3,159
Interest payable and similar expenses	9	(8,630)	(15,659)
Other gains and losses	10	(123,560)	(69,025)
<b>Profit before taxation</b>		<b>111,200</b>	<b>120,972</b>
Tax on profit	11	54,473	(32)
<b>Profit for the financial period</b>		<b>165,673</b>	<b>120,940</b>
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		40	1,686
<b>Total comprehensive income for the period</b>		<b>165,713</b>	<b>122,626</b>

Profit and total comprehensive income for the financial year is all attributable to the owners of the parent company

**CLASS TOURS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 OCTOBER 2019**

	Notes	31 October 2019		30 November 2018	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	13		267,376		2,397
Other intangible assets	13		148,885		-
Total intangible assets			416,261		2,397
Tangible assets	14		2,627,814		2,495,757
Investments	15		11,129		12,034
			3,055,204		2,510,188
<b>Current assets</b>					
Stocks	19	44,271		43,737	
Debtors	20	2,218,668		3,530,313	
Cash at bank and in hand		2,058,512		1,571,095	
			4,321,451		5,145,145
<b>Creditors: amounts falling due within one year</b>	21	(4,947,418)		(3,505,767)	
<b>Net current (liabilities)/assets</b>			(625,967)		1,639,378
<b>Total assets less current liabilities</b>			2,429,237		4,149,566
<b>Creditors: amounts falling due after more than one year</b>	22		(167,704)		(185,371)
<b>Provisions for liabilities</b>	25		(116,057)		(151,707)
<b>Net assets</b>			2,145,476		3,812,488
<b>Capital and reserves</b>					
Called up share capital	27		141,414		141,414
Share premium account	28		10,000		10,000
Revaluation reserve	28		329,193		335,602
Profit and loss reserves	28		1,664,869		3,325,472
<b>Total equity</b>			2,145,476		3,812,488

The financial statements were approved by the board of directors and authorised for issue on 6/3/2020 and are signed on its behalf by:

  
 N S English  
 Director

**CLASS TOURS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2019**

		30 November 2019		31 October 2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	13		1		1
Tangible assets	14		526,780		569,335
Investments	15		94,564		1,134
			<u>621,345</u>		<u>570,470</u>
<b>Current assets</b>					
Stocks	19	31,200		28,511	
Debtors	20	1,713,029		3,389,443	
Cash at bank and in hand		1,143,615		1,080,741	
		<u>2,887,844</u>		<u>4,498,695</u>	
<b>Creditors: amounts falling due within one year</b>	21	(2,733,293)		(2,687,080)	
<b>Net current assets</b>			<u>154,551</u>		<u>1,811,615</u>
<b>Total assets less current liabilities</b>			<u>775,896</u>		<u>2,382,085</u>
<b>Provisions for liabilities</b>	25		(8,445)		(20,053)
<b>Net assets</b>			<u><u>767,451</u></u>		<u><u>2,362,032</u></u>
<b>Capital and reserves</b>					
Called up share capital	27		141,414		141,414
Share premium account	28		10,000		10,000
Profit and loss reserves	28		616,037		2,210,618
<b>Total equity</b>			<u><u>767,451</u></u>		<u><u>2,362,032</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the period was £237,931 (2018 - £428,439 profit).

The financial statements were approved by the board of directors and authorised for issue on 6/3/2020 and are signed on its behalf by:

  
.....  
N S English  
Director

# CLASS TOURS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 OCTOBER 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 December 2017</b>		141,414	10,000	349,585	3,188,863	3,689,862
<b>Period ended 30 November 2018:</b>						
Profit for the period		-	-	-	120,940	120,940
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	1,686	1,686
Total comprehensive income for the period		-	-	-	122,626	122,626
Transfers		-	-	(13,983)	13,983	-
<b>Balance at 30 November 2018</b>		141,414	10,000	335,602	3,325,472	3,812,488
<b>Period ended 31 October 2019:</b>						
Profit for the period		-	-	-	165,673	165,673
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	40	40
Total comprehensive income for the period		-	-	-	165,713	165,713
Dividends	12	-	-	-	(1,832,725)	(1,832,725)
Transfers		-	-	(6,409)	6,409	-
<b>Balance at 31 October 2019</b>		141,414	10,000	329,193	1,664,869	2,145,476

# CLASS TOURS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 OCTOBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 December 2017</b>		141,414	10,000	1,780,492	1,931,906
<b>Period ended 30 November 2018:</b>					
Profit for the period		-	-	428,439	428,439
Other comprehensive income net of taxation:					
Currency translation differences		-	-	1,687	1,687
Total comprehensive income for the period		-	-	430,126	430,126
<b>Balance at 30 November 2018</b>		141,414	10,000	2,210,618	2,362,032
<b>Period ended 31 October 2019:</b>					
Profit for the period		-	-	237,931	237,931
Other comprehensive income net of taxation:					
Currency translation differences		-	-	213	213
Total comprehensive income for the period		-	-	238,144	238,144
Dividends	12	-	-	(1,832,725)	(1,832,725)
<b>Balance at 31 October 2019</b>		141,414	10,000	616,037	767,451

# CLASS TOURS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 OCTOBER 2019

		31 October 2019		30 November 2018	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29		2,014,602		62,971
Interest paid			(8,630)		(15,659)
Income taxes refunded/(paid)			35		(138,857)
<b>Net cash inflow/(outflow) from operating activities</b>			2,006,007		(91,545)
<b>Investing activities</b>					
Purchase of intangible assets		(35,259)		-	
Purchase of tangible fixed assets		(327,949)		(159,435)	
Proceeds on disposal of tangible fixed assets		15,500		8,646	
Purchase of subsidiaries		746,485		-	
Proceeds from other investments and loans		-		517,250	
Interest received		4,113		3,159	
<b>Net cash generated from investing activities</b>			402,890		369,620
<b>Financing activities</b>					
Payment of finance leases obligations		(99,184)		(278,955)	
Dividends paid to equity shareholders		(1,832,725)		-	
<b>Net cash used in financing activities</b>			(1,931,909)		(278,955)
<b>Net increase/(decrease) in cash and cash equivalents</b>			476,988		(880)
Cash and cash equivalents at beginning of period			1,571,095		1,572,087
Effect of foreign exchange rates			10,429		(112)
<b>Cash and cash equivalents at end of period</b>			2,058,512		1,571,095

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2019

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### 1 Accounting policies

#### Company information

Class Tours Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Verulam House, 142 Old Shoreham Road, Hove, East Sussex, BN3 7BD.

The group consists of Class Tours Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosure framework

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Class Tours Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

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#### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

#### Going concern

Despite the net current liabilities position, at the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. This has been based on the budgets and cashflow forecasts prepared for a period of 12 months from the balance sheet date and consideration of cash for a period of 12 months from the date of approving these accounts, as well as the ongoing support of group companies. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Reporting period

The company's accounting period was shortened to 31 October 2019 following the acquisition of its subsidiary, The Travel Adventure Limited, such that all group companies had a coterminous year end. The current year financial statements cover the period from 1 December 2018 to 31 October 2019. Comparative figures for the year ended 30 November 2018 (including related notes) are consequently not entirely comparable.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable as a tour operator. Revenue is recognised on the date of departure. Hotel revenue is recognised on the date the booking becomes non-cancellable.

#### Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Development expenditure is capitalised when there is a clearly defined project, the related expenditure is separately identifiable and the outcome of the project has been assessed with reasonable certainty as to its technical, commercial and financial feasibility. In the absence of such criteria, development costs are expensed. Development costs are amortised over their expected useful lives of five years from the project release date.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

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### 1 Accounting policies (Continued)

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Leasehold improvements	10% on cost
Plant and equipment	25% and 15% on reducing balance
Fixtures and fittings	25% on reducing balance
Computers	25% on cost
Motor vehicles	25% on reducing balance and 20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

#### Fixed asset investments

In the separate accounts of the company, interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 30 November 2018.

#### Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

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#### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Stocks**

Stocks comprise brochures held for distribution at no or nominal consideration and are measured at the lower of replacement cost and cost adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Impairment losses and reversals of impairment losses are recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

#### **Other financial assets**

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and loans from fellow group companies that are classified as debt, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### ***Derivatives***

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

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### 1 Accounting policies (Continued)

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### **Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries and associates, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

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#### 1 Accounting policies (Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements have had the most significant effect on amounts recognised in the financial statements.

##### **Valuation of property**

The key accounting estimate in preparing these financial statements relates to the carrying value of the property which is stated at fair value. The company uses external valuers, at intervals, and also considers current market conditions as a basis for determining the directors' estimation of the fair value of the property. However, the valuation of the company's property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

In addition, the deferred tax liabilities recognised in respect of the fair value gains on the property are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

##### **Goodwill**

Management consider that there are no indicators of impairment and that no impairment is therefore required to be recognised against the value of the group's goodwill at the reporting date.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Tour operations	15,648,247	12,329,491
	<u>15,648,247</u>	<u>12,329,491</u>
	2019 £	2018 £
<b>Other revenue</b>		
Interest income	4,113	3,159
	<u>4,113</u>	<u>3,159</u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	15,648,247	12,329,491
	<u>15,648,247</u>	<u>12,329,491</u>

### 4 Employees

The average monthly number of persons (including directors) employed during the period was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Directors	3	3	3	2
UK Sales and administration	112	97	45	42
France operations	44	40	28	28
	<u>159</u>	<u>140</u>	<u>76</u>	<u>72</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,515,597	2,010,919	1,194,120	1,107,751
Social security costs	265,095	198,734	118,856	90,864
Pension costs	43,500	88,413	20,703	33,680
	<u>2,824,192</u>	<u>2,298,066</u>	<u>1,333,679</u>	<u>1,232,295</u>

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	81,073	11,395
Company pension contributions to defined contribution schemes	1,028	108
	<u>82,101</u>	<u>11,503</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

### 6 Operating profit

	2019 £	2018 £
Operating profit for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(18,297)	7,504
Depreciation of owned tangible fixed assets	236,655	231,607
Depreciation of tangible fixed assets held under finance leases	61,325	130,851
Profit on disposal of tangible fixed assets	(5,172)	(5,055)
Amortisation of intangible assets	56,426	1,198
Operating lease charges	<u>249,040</u>	<u>192,613</u>

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a credit of £18,297 (2018: charge of £7,504).

### 7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	<u>38,060</u>	<u>18,000</u>

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	<u>4,113</u>	<u>3,159</u>

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 OCTOBER 2019

**9 Interest payable and similar expenses**

	2019	2018
	£	£
Interest on bank overdrafts and loans	19	-
Interest on finance leases and hire purchase contracts	8,611	15,659
Total finance costs	8,630	15,659

**10 Other gains and losses**

	2019	2018
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	(123,560)	(69,025)

**11 Taxation**

	2019	2018
	£	£
<b>Current tax</b>		
Adjustments in respect of prior periods	(29,940)	(4,000)
Foreign current tax on profits for the current period	(35)	17,590
Total current tax	(29,975)	13,590
<b>Deferred tax</b>		
Origination and reversal of timing differences	(24,498)	(13,558)
Total tax (credit)/charge	(54,473)	32

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

#### 11 Taxation (Continued)

The total tax (credit)/charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	111,200	120,972
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	21,128	22,985
Tax effect of expenses that are not deductible in determining taxable profit	2,271	3,026
Tax effect of income not taxable in determining taxable profit	(734)	-
Tax effect of utilisation of tax losses not previously recognised	-	2,949
Change in unrecognised deferred tax assets	(14,249)	(10,692)
Adjustments in respect of prior years	(29,940)	(4,000)
Depreciation on assets not qualifying for tax allowances	14,886	15,963
Other non-reversing timing differences	3,080	(12,177)
Other permanent differences	(1,218)	(1,815)
Foreign tax charges	(35)	17,590
Group relief claimed	(49,662)	(33,797)
Taxation (credit)/charge	(54,473)	32

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2018 on 15 March 2018. These include reductions to the main tax rate, to reduced to 17% from 1 April 2020. Deferred taxes at the balance sheet have been measured using the enacted rates.

#### 12 Dividends

	2019 £	2018 £
Final paid (£12.96 per share)	1,832,725	-

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 13 Intangible fixed assets

Group	Goodwill	Development costs	Total
	£	£	£
<b>Cost</b>			
At 1 December 2018	40,991	-	40,991
Additions - internally developed	-	35,259	35,259
Additions - business combinations	285,190	149,841	435,031
	<u>326,181</u>	<u>185,100</u>	<u>511,281</u>
At 31 October 2019	326,181	185,100	511,281
<b>Amortisation and impairment</b>			
At 1 December 2018	38,594	-	38,594
Amortisation charged for the period	20,211	36,215	56,426
	<u>58,805</u>	<u>36,215</u>	<u>95,020</u>
At 31 October 2019	58,805	36,215	95,020
<b>Carrying amount</b>			
At 31 October 2019	267,376	148,885	416,261
	<u>267,376</u>	<u>148,885</u>	<u>416,261</u>
At 30 November 2018	2,397	-	2,397
	<u>2,397</u>	<u>-</u>	<u>2,397</u>
<b>Company</b>			<b>Goodwill</b>
			£
<b>Cost</b>			
At 1 December 2018 and 31 October 2019			35,001
<b>Amortisation and impairment</b>			
At 1 December 2018 and 31 October 2019			35,000
<b>Carrying amount</b>			
At 30 November 2018 and 31 October 2019			1
			<u>1</u>

# **CLASS TOURS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED 31 OCTOBER 2019**

### **14 Tangible fixed assets**

Group	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost or valuation</b>							
At 1 December 2018	1,528,342	401,172	465,524	106,039	127,899	1,340,839	3,969,815
Additions	26,020	36,742	43,191	2,636	6,555	326,805	441,949
Business combinations	-	-	-	1,862	6,943	-	8,805
Disposals	-	-	(500)	-	-	(35,000)	(35,500)
Exchange adjustments	(6,975)	(11,249)	(2,722)	(2,093)	(189)	(641)	(23,869)
At 31 October 2019	1,547,387	426,665	505,493	108,444	141,208	1,632,003	4,361,200
<b>Depreciation and impairment</b>							
At 1 December 2018	103,173	251,702	274,655	84,465	80,879	679,184	1,474,058
Depreciation charged in the period	37,164	42,794	47,840	8,847	21,963	139,372	297,980
Eliminated in respect of disposals	-	-	-	-	-	(25,172)	(25,172)
Exchange adjustments	(1,328)	(7,645)	(2,048)	(1,887)	(120)	(452)	(13,480)
At 31 October 2019	139,009	286,851	320,447	91,425	102,722	792,932	1,733,386
<b>Carrying amount</b>							
At 31 October 2019	1,408,378	139,814	185,046	17,019	38,486	839,071	2,627,814
At 30 November 2018	1,425,169	149,470	190,869	21,574	47,020	661,655	2,495,757

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

Company	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 December 2018	630,872	415,075	97,174	115,598	53,468	1,312,187
Additions	62,305	15,974	2,636	6,435	-	87,350
Disposals	-	(500)	-	-	-	(500)
Exchange adjustments	(18,224)	(2,722)	(2,093)	(189)	(641)	(23,869)
At 31 October 2019	674,953	427,827	97,717	121,844	52,827	1,375,168
<b>Depreciation and impairment</b>						
At 1 December 2018	283,007	260,027	80,708	78,751	40,359	742,852
Depreciation charged in the period	55,253	36,271	7,105	16,725	3,662	119,016
Exchange adjustments	(8,973)	(2,048)	(1,887)	(120)	(452)	(13,480)
At 31 October 2019	329,287	294,250	85,926	95,356	43,569	848,388
<b>Carrying amount</b>						
At 31 October 2019	345,666	133,577	11,791	26,488	9,258	526,780
At 30 November 2018	347,865	155,048	16,466	36,847	13,109	569,335

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Motor vehicles	343,078	284,403	-	-

Land and buildings with a carrying amount of £1,286,885 were revalued in February 2017 by Cocatrix Immobilier, an independent valuer. The directors consider that the valuation, adjusted for depreciation, remains the best approximation of fair value at 31 October 2019.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	937,300	937,300	-	-
Accumulated depreciation	(73,422)	(56,238)	-	-
Carrying value	863,878	881,062	-	-

The revaluation surplus is disclosed in the consolidated statement of changes in equity.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 15 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	16	-	-	94,430	1,000
Investments in associates	17	11,129	12,034	134	134
		<u>11,129</u>	<u>12,034</u>	<u>94,564</u>	<u>1,134</u>

#### Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £
<b>Cost or valuation</b>	
At 1 December 2018	12,034
Share of results of associate	(905)
At 31 October 2019	<u>11,129</u>
<b>Carrying amount</b>	
At 31 October 2019	<u>11,129</u>
At 30 November 2018	<u>12,034</u>

#### Movements in fixed asset investments Company

	Shares in group undertakings and participating interests £
<b>Cost or valuation</b>	
At 1 December 2018	1,134
Additions	93,430
At 31 October 2019	<u>94,564</u>
<b>Carrying amount</b>	
At 31 October 2019	<u>94,564</u>
At 30 November 2018	<u>1,134</u>

## CLASS TOURS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

#### 16 Subsidiaries

Details of the company's subsidiaries at 31 October 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Castaway School Travel Limited	Verulam House, 142 Old Shoreham Road, Hove, East Sussex, BN3 7BD	School Travel	Ordinary	100.00	-
Poole Bay Travel Limited	Verulam House, 142 Old Shoreham Road, Hove, East Sussex, BN3 7BD	Coach operator	Ordinary	-	100.00
The Travel Adventure Limited	6-8 Lovers Walk, Brighton, England, BN1 6AH	Specialist travel	Ordinary	100.00	-

#### 17 Associates

Details of associates at 31 October 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
SARL Central Windsurf	France	Concession Stand	Ordinary	36.00	-

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

#### 18 Acquisitions

On 25 March 2019 the group acquired 100 percent of the issued capital of The Travel Adventure Limited for consideration of £93,430. The assets acquired and liabilities assumed at the acquisition date were recognised at their fair values to the group as set out below:-

	Book Value £	Adjustments £	Fair Value £
Intangible assets	149,842	-	149,842
Property, plant and equipment	8,805	-	8,805
Trade and other receivables	318,919	-	318,919
Cash and cash equivalents	839,915	-	839,915
Trade and other payables	(1,509,241)	-	(1,509,241)
Total identifiable net assets	<u>(191,760)</u>	<u>-</u>	<u>(191,760)</u>
Goodwill			<u>285,190</u>
Total consideration			<u>93,430</u>
The consideration was satisfied by:			£
Cash			1
Acquisition costs			<u>93,429</u>
			<u>93,430</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			2,729,824
Profit after tax			<u>16,432</u>

#### 19 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	<u>44,271</u>	<u>43,737</u>	<u>31,200</u>	<u>28,511</u>

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 20 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	103,829	68,596	46,985	15,821
Payments on account	1,318,668	1,017,140	428,934	547,657
Corporation tax recoverable	13,185	3,001	5,871	-
Amounts owed by group undertakings	-	1,696,060	979,615	2,405,647
Other debtors	563,063	505,567	139,429	228,563
Prepayments and accrued income	200,610	209,484	112,195	191,755
	<u>2,199,355</u>	<u>3,499,848</u>	<u>1,713,029</u>	<u>3,389,443</u>
Deferred tax asset (note 25)	19,313	30,465	-	-
	<u>2,218,668</u>	<u>3,530,313</u>	<u>1,713,029</u>	<u>3,389,443</u>

### 21 Creditors: amounts falling due within one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	23	132,145	99,662	-	-
Payments received on account		3,224,111	2,516,556	1,498,394	1,907,990
Trade creditors		319,267	217,784	264,840	179,857
Amounts owed to group undertakings		280,844	112,867	285,767	197,694
Corporation tax payable		-	19,756	-	19,756
Other taxation and social security		386,356	209,553	322,438	186,126
Derivative financial instruments		128,431	4,871	112,448	4,871
Other creditors		77,862	97,850	7,827	1,869
Accruals and deferred income		398,402	226,868	241,579	188,917
		<u>4,947,418</u>	<u>3,505,767</u>	<u>2,733,293</u>	<u>2,687,080</u>

Amounts due under finance leases are secured on the assets financed.

### 22 Creditors: amounts falling due after more than one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Obligations under finance leases	23	167,704	185,371	-	-

Amounts due under finance leases are secured on the assets financed.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 OCTOBER 2019

#### 23 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Less than one year	139,114	99,662	-	-
Between one and five years	171,236	199,862	-	-
	<u>310,350</u>	<u>299,524</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(10,501)	(14,491)	-	-
	<u>299,849</u>	<u>285,033</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### 24 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	128,431	4,871	112,448	4,871
	<u>128,431</u>	<u>4,871</u>	<u>112,448</u>	<u>4,871</u>

#### 25 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
<b>Group</b>				
Accelerated capital allowances	107,216	92,707	(10,416)	(5,702)
Tax losses	(47,121)	-	29,729	36,167
Revaluations	55,962	59,000	-	-
	<u>116,057</u>	<u>151,707</u>	<u>19,313</u>	<u>30,465</u>
	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
<b>Company</b>				
Accelerated capital allowances	8,445	20,053	-	-
	<u>8,445</u>	<u>20,053</u>	<u>-</u>	<u>-</u>

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 25 Deferred taxation (Continued)

	Group 2019 £	Company 2019 £
<b>Movements in the period:</b>		
Liability at 1 December 2018	121,242	20,053
Credit to profit or loss	(24,498)	(11,608)
Liability at 31 October 2019	<u>96,744</u>	<u>8,445</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits and accelerated capital allowances that are expected to mature within the same period.

### 26 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>34,355</u>	<u>40,553</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 27 Share capital

	Group and company 2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
141,414 Ordinary of £1 each	<u>141,414</u>	<u>141,414</u>

The company's Ordinary shares carry full voting, dividend and capital distribution rights (including on winding up) and do not confer any rights of redemption.

### 28 Reserves

#### Profit and loss reserves

Profit and loss reserves represent the cumulative profit and loss of the company, net of distributions to owners.

#### Revaluation reserve

The revaluation reserve represents the carrying value of revalued assets over and above the original cost.

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 29 Cash generated from group operations

	2019 £	2018 £
Profit for the period after tax	165,673	120,940
Adjustments for:		
Share of results of associates and joint ventures	905	(11,900)
Taxation (credited)/charged	(54,473)	32
Finance costs	8,630	15,659
Investment income	(4,113)	(3,159)
Gain on disposal of tangible fixed assets	(5,172)	(5,055)
Fair value gains and losses on foreign exchange contracts and investment properties	123,560	69,025
Amortisation and impairment of intangible assets	56,426	1,198
Depreciation and impairment of tangible fixed assets	297,980	362,458
Movements in working capital:		
(Increase) in stocks	(534)	(7,319)
Decrease/(increase) in debtors	1,629,597	(842,572)
(Decrease)/increase in creditors	(203,877)	363,664
<b>Cash generated from operations</b>	<b>2,014,602</b>	<b>62,971</b>

### 30 Analysis of changes in net funds - group

	1 December 2018 £	Cash flows £	New finance leases £	Exchange rate movements £	31 October 2019 £
Cash at bank and in hand	1,571,095	476,988	-	10,429	2,058,512
Obligations under finance leases	(285,033)	99,184	(114,000)	-	(299,849)
	<u>1,286,062</u>	<u>576,172</u>	<u>(114,000)</u>	<u>10,429</u>	<u>1,758,663</u>

### 31 Financial commitments, guarantees and contingent liabilities

Security has been given by the company in the form of a rent deposit deed for the £6,000 initial deposit.

# CLASS TOURS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 OCTOBER 2019

### 32 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the group and company for certain of its properties. Lease terms vary from property to property.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	274,025	217,522	172,886	151,522
Between one and five years	1,123,905	867,623	730,085	727,623
In over five years	1,262,897	1,131,072	834,767	1,026,072
	<u>2,660,827</u>	<u>2,216,217</u>	<u>1,737,738</u>	<u>1,905,217</u>

### 33 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2019 £	2018 £
Aggregate compensation	<u>145,154</u>	<u>58,433</u>

#### Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Purchases 2019 £	2018 £
Company		
Other related parties	<u>15,921</u>	<u>-</u>

### 34 Controlling party

Voyager Bidco Limited is the immediate parent company by virtue of its ownership of 100% of the share capital of Class Tours Limited.

Voyager Topco Limited, a company incorporated in the United Kingdom, is the parent of the largest group for which consolidated accounts including Class Tours Limited are prepared. Copies of the consolidated accounts of Voyager Topco Limited can be obtained from its registered office, Verulam House, 142 Old Shoreham Road, Hove, East Sussex, BN3 7BD.

The ultimate parent undertaking of Class Tours Limited is RJD Private Equity Fund III LP.

## **CLASS TOURS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 31 OCTOBER 2019**

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#### **35 External regulatory requirements**

The company currently holds an Air Travel Operators' License (ATOL) issued by the Civil Aviation Authority (CAA). In order to offer air inclusive holidays, Class Tours Limited requires the annual renewal by the CAA of its ATOL. The CAA awards this on the basis of meeting agreed financial criteria and renews this in March (effective 1 April). Class Tours Limited has complied with these requirements during the periods presented in these financial statements, and subsequent to 31 October 2019 to the date of signing of these financial statements. The directors see no reason why the ATOL will not be renewed in March 2020 on substantially the same terms and conditions as currently agreed with the CAA.