
CARIBTOURS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

CARIBTOURS LIMITED

COMPANY INFORMATION

Directors	Mr N Brunskill (resigned 23 December 2019) Mrs G V Brunskill (resigned 23 December 2019) Mr P Cleary
Registered number	01402297
Registered office	126-128 New Kings Road London SW6 4LZ
Independent auditors	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

CARIBTOURS LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Introduction

The Directors present their strategic report for the year ended 30 September 2020.

Business review

The Company is required by the Companies Act to set out in this report, a fair review of the business of the Company during the financial year ended 30 September 2020, and its position at the end of the year along with a description of the principal risks and uncertainties facing the Company. This review is prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed, and the business review should not be relied upon by any other party or for any other purpose.

The Company's policy has been to continue to diversify its product by offering luxury tailor made holidays to an increasingly new range of destinations whilst maintaining its core product of luxury Caribbean holidays.

The Company continued its strategy of introducing flexible working to all employees, allowing staff to work either from home or from the office, and to reduce the amount of office space required. By March 2020 75% of the Company was working flexibly. When the lock down happened, the Company moved seamlessly to a full-time home working environment with no loss of service or downtime of systems.

This strategy increased spend in IT but reduced property costs and resulted in an overall reduction to the fixed overhead. The Company further substantially reduce its fixed overhead base during the year.

The strategy of the Company during the pandemic has been to ensure that full communication has been maintained with all clients who were due to travel and every effort made to either rebook or refund the client in accordance with their wishes. Timely supplier payments have continued to be made throughout.

The Company reacted quickly to the COVID-19 pandemic, with the reduction of fixed overheads and maintaining close communication with customers and suppliers. The Company has positioned itself to be at the forefront of the industry when consumer demand picks up again.

The directors consider the results to be satisfactory given the challenges presented by economic uncertainty caused by Brexit in 2019 and the global travel restrictions caused by the COVID-19 pandemic.

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

	2020	2019
	£	£
Turnover	9,870,443	16,397,121
Gross Profit	1,286,064	2,039,180
Gross Profit as a percentage of Turnover	13.03%	12.44%
(Loss)/Profit on ordinary activities before Taxation	(532,754)	13,773
(Loss)/Profit on ordinary activities as a percentage of Turnover	(5.40)%	0.08%

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Principal risks and uncertainties

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

The demand for holidays is affected by local economic conditions. The uncertainty created by the COVID-19 pandemic along with Brexit, and the ensuing volatility in exchange rates and consumer confidence creates a fragile trading environment. Despite the negative impact upon the travel industry, the directors believe that the Company is able to quickly adapt to changes in the local market demand, however a prolonged period of booking slowdown could adversely affect financial results. The prolonged periods of restrictions to overseas travel up until May 2021 have obviously had a significant impact on tour operators and pose a continuing risk to business. There is however pent up demand and a strong desire of the Company's customers to travel as soon as it is safe to do so. A large number of customers are looking to defer their travel dates to later in the year rather than cancel their bookings outright.

The Company is exposed to various regulators, including the Civil Aviation Authority ("CAA"), which issues an Air Travel Organisers Licence ("ATOL"), which is required in order for the Company to operate and was renewed in March 2021. This licence is renewed in March each year and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA's website (www.caa.co.uk).

The Company finances its operations through retained profits. The Company's exposure to interest rate fluctuations on its cash deposits are managed by using short term, fixed and floating deposits.

The Company operates in a highly competitive market featuring innovation in the travel products and the methods by which it is marketed, as well as price pressures. The Company seeks to constantly invest in its brand to increase public awareness as well as offer a wide selection of products from a wide range of suppliers at competitive prices to maintain its market position. The Company also monitors competitor activity closely.

The Company faces transactional exposure primarily relating to the cost of acquiring accommodation, especially as a result of the weaker Pound Sterling. To manage this risk a hedging policy was introduced at the beginning of 2016, which involves forward buying foreign currencies at a percentage of future forecast requirements. The Company has adopted an accounting policy of hedge accounting for these financial statements.

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

The Company is heavily reliant on the uninterrupted operation of its IT systems. These systems are vulnerable to power loss, fire, computer viruses and other events. Loss of these systems would impair the ability of the Company to carry on its business effectively.

The Company has made arrangements to mitigate this risk including having multiple leased lines into its main office, moving to hosted solutions for its key systems and having employees working across multiple locations.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Principal risks and uncertainties (continued)

The nature of the business exposes the Company to various commercial risks which may affect the trading performance of the Company. These include:

- acts of terrorism, particularly in key tourist destinations
- epidemics in key tourist destinations which threaten the health of tourists
- wars or other international uncertainty which affects air travel
- natural disasters in key tourist destinations
- weather conditions, both in the UK and key tourist destinations
- changes in customer behaviour and preferences
- increases in government taxes

These factors may affect the Company by causing potential customers to cancel or postpone travel plans, reducing the earnings potential of the Company. The Company seeks to minimise such risks by operating a flexible limited commitment business model with the ability to shift capacity amongst a variety of destinations where necessary. In the case of a global shut down of the travel industry, as we are now experiencing due to the COVID-19 pandemic, the Company seeks to mitigate risk by aggressive cost cutting, while protecting its ability to effectively compete in the future.

This report was approved by the board on 31 March 2021 and signed on its behalf.

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Mr P Cleary
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The directors present their report and the financial statements for the year ended 30 September 2020.

Directors' responsibilities statement

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Principal activity

The principal activity of the Company in the year under review was that of a tour operator selling holidays to the Caribbean, Indian Ocean, Far East, Middle East and Europe.

Results and dividends

The loss for the year, after taxation, amounted to £431,274 (2019 - profit £8,241).

The following dividends were paid during the year:

An interim dividend of £13.00 per share was paid on 23 December 2019.

The directors do not recommend a final dividend for the year ended 30 September 2020.

The total distribution of dividends for the year ended 30 September 2020 will be £650,000 (2019 - £Nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Directors

The directors who served during the year were:

Mr N Brunskill (resigned 23 December 2019)
Mrs G V Brunskill (resigned 23 December 2019)
Mr P Cleary

Future developments

The Company is embarking on a three-pronged growth strategy through investment in technologies, expanding distribution to new markets and increasing the range of destinations offered.

Matters covered in the strategic report

The directors have disclosed, in line with the Companies Act 2006, additional performance data for the Company in the strategic report which is included within this set of financial statements. This includes a review of the performance of the business and the key performance indicators, as well as the main risks faced by the business.

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end, except for the ongoing Coronavirus pandemic, which has had a significant impact upon the industry in which the Company operates, as described in note 2.2.

During 2021, the Company will continue to operate as outlined in the principal activity note above.

Auditors

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

This report was approved by the board on 31 March 2021 and signed on its behalf.

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Mr P Cleary
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBTOURS LIMITED

Opinion

We have audited the financial statements of Caribtours Limited (the 'Company') for the year ended 30 September 2020, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the COVID-19 pandemic and Britain exiting the European Union on our audit

Uncertainties related to the effects of the COVID-19 pandemic and Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and Company's future prospects and performance.

The COVID-19 pandemic has had an unprecedented impact upon the worldwide economy and in particular upon the travel industry, with many consumers cancelling or delaying travel plans as a result. At the date of this report, the full range of possible effects upon travel companies cannot be estimated or assessed due to the current levels of uncertainty around government and consumer responses to what might happen. We have applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit is able, or should be expected, to predict unknowable factors or all possible future implications for a company and this is particularly the case in relation to the COVID- 19 pandemic.

Brexit was also one of the most significant economic events for the UK, and at the date of this report its effects are still subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company or group and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBTOURS LIMITED (CONTINUED)

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.2 to the financial statements concerning the Company's ability to continue as a going concern.

As explained in note 2.2, the current COVID-19 pandemic has had an unprecedented impact upon the global economy and especially upon the travel industry. This has led many consumers to hold off on booking new holidays or cancel existing holidays until the global situation stabilises, resulting in greatly reduced cash flows for travel companies. These problematic trading conditions have negatively impacted the Company's trade as well as its immediate and projected cash flows.

In the event that the COVID-19 pandemic worsens for a prolonged period of time, this would put pressure on the Company's finances and its ability to continue as a going concern. We draw attention to note 2.2 of the financial statements as to the review and actions undertaken by the Board of Directors to ensure that the Company has adequate resources to continue trading for at least 12 months. The financial statements have therefore been prepared on a going concern basis.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBTOURS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

CARIBTOURS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBTOURS LIMITED (CONTINUED)

Use of our report

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

Ms N A Spoor ACA FCCA (Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

31 March 2021

CARIBTOURS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Turnover	4	9,870,443	16,397,121
Cost of sales		(8,584,379)	(14,357,941)
Gross profit		1,286,064	2,039,180
Administrative expenses		(1,875,625)	(2,078,984)
Exceptional administrative expenses		(34,473)	-
Other operating income	5	166,345	19,211
Fair value movements		(81,992)	11,417
Operating loss	6	(539,681)	(9,176)
Interest receivable and similar income	10	7,291	22,987
Interest payable and similar expenses	11	(364)	(38)
(Loss)/profit before tax		(532,754)	13,773
Tax on (loss)/profit	12	101,480	(5,532)
(Loss)/profit for the financial year		(431,274)	8,241

The notes on pages 16 to 35 form part of these financial statements.

CARIBTOURS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 £	2019 £
(Loss)/profit for the financial year		(431,274)	8,241
Other comprehensive income			
Currency translation differences		2,346	(123)
Fair value (loss)/gain on cash flow hedges		(143,056)	(5,426)
Movement in unrealised foreign exchange reserve		1,023	257
Other comprehensive income for the year		(139,687)	(5,292)
Total comprehensive income for the year		(570,961)	2,949

The notes on pages 16 to 35 form part of these financial statements.

CARIBTOURS LIMITED
REGISTERED NUMBER: 01402297

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	110,723	107,530
		<u>110,723</u>	<u>107,530</u>
Current assets			
Stocks	16	40,797	51,413
Debtors: amounts falling due within one year	17	1,147,605	1,504,819
Cash at bank and in hand	18	1,705,706	3,501,740
		<u>2,894,108</u>	<u>5,057,972</u>
Creditors: amounts falling due within one year	19	(2,604,157)	(3,640,912)
Net current assets		<u>289,951</u>	<u>1,417,060</u>
Total assets less current liabilities		<u>400,674</u>	<u>1,524,590</u>
Provisions for liabilities			
Other provisions		(97,045)	-
		<u>(97,045)</u>	<u>-</u>
Net assets		<u><u>303,629</u></u>	<u><u>1,524,590</u></u>
Capital and reserves			
Called up share capital	22	50,000	50,000
Foreign exchange reserve	23	1,280	257
Other reserves	23	(27,971)	115,085
Profit and loss account	23	280,320	1,359,248
		<u>303,629</u>	<u>1,524,590</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2021.

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Mr P Cleary
Director

The notes on pages 16 to 35 form part of these financial statements.

CARIBTOURS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital £	Foreign exchange reserve £	Cash flow hedging reserve £	Profit and loss account £	Total equity £
At 1 October 2018	50,000	-	120,511	1,351,130	1,521,641
Comprehensive income for the year					
Profit for the year	-	-	-	8,241	8,241
Currency translation differences	-	-	-	(123)	(123)
Fair value gain/(loss) on cash flow hedges	-	-	(5,426)	-	(5,426)
Movement in unrealised foreign exchange reserve	-	257	-	-	257
Total comprehensive income for the year	-	257	(5,426)	8,118	2,949
At 1 October 2019	50,000	257	115,085	1,359,248	1,524,590
Comprehensive income for the year					
Loss for the year	-	-	-	(431,274)	(431,274)
Currency translation differences	-	-	-	2,346	2,346
Fair value gain/(loss) on cash flow hedges	-	-	(143,056)	-	(143,056)
Movement in unrealised foreign exchange reserve	-	1,023	-	-	1,023
Total comprehensive income for the year	-	1,023	(143,056)	(428,928)	(570,961)
Dividends: Equity capital	-	-	-	(650,000)	(650,000)
At 30 September 2020	50,000	1,280	(27,971)	280,320	303,629

The notes on pages 16 to 35 form part of these financial statements.

CARIBTOURS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(431,274)	8,241
Adjustments for:		
Depreciation of tangible assets	49,612	39,988
Loss on disposal of tangible assets	500	-
Interest paid	364	38
Interest received	(7,291)	(22,987)
Taxation charge	(101,480)	5,532
Decrease in stocks	10,616	13,959
Decrease in debtors	659,852	16,963
(Increase)/decrease in amounts owed by groups	(384,236)	-
(Decrease)/increase in creditors	(1,075,355)	176,549
Increase in provisions	97,045	-
Net fair value losses/(gains) recognised in P&L	81,992	(11,417)
Net cash generated from operating activities	(1,099,655)	226,866
Cash flows from investing activities		
Purchase of tangible fixed assets	(52,806)	(32,248)
Sale of tangible fixed assets	(500)	-
Interest received	7,291	22,987
Net cash from investing activities	(46,015)	(9,261)
Cash flows from financing activities		
Dividends paid	(650,000)	-
Interest paid	(364)	(38)
Net cash used in financing activities	(650,364)	(38)
Net (decrease)/increase in cash and cash equivalents	(1,796,034)	217,567
Cash and cash equivalents at beginning of year	3,501,740	3,284,173
Cash and cash equivalents at the end of year	1,705,706	3,501,740
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,705,706	3,501,740

The notes on pages 16 to 35 form part of these financial statements.

CARIBTOURS LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	At 1 October 2019 £	Cash flows £	At 3 Septembe 202
Cash at bank and in hand	3,501,740	(1,796,034)	1,705,706
	<u>3,501,740</u>	<u>(1,796,034)</u>	<u>1,705,706</u>

The notes on pages 16 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1. General information

As disclosed in the Directors' Report, the principal activity of the Company in the year under review was that of a tour operator selling holidays to the Caribbean, Indian Ocean, Far East, Middle East and Europe.

The Company is a private company limited by shares and is incorporated in England. The address of the Company's principal place of business and registered office is 126-128 New Kings Road, London, SW6 4LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The current COVID-19 pandemic has had an unprecedented impact upon the global economy and in particular upon the travel industry, causing many consumers to cancel or amend their holiday arrangements.

Additionally, with the majority of consumers no longer seeking to book holidays until the global situation stabilises, many travel companies are struggling to cope with greatly reduced cash flows. The full impact of the COVID-19 pandemic on the business remains uncertain and as a result is not completely quantifiable.

The directors have taken immediate steps to review the Company's financial position, downgraded its forecasts and planned mitigation actions in order to neutralise the financial impact from the significant downturn in trading. The directors have also performed a sensitivity analysis to assess the financial impact of a further slow down in trading from the reforecast and its impact on the liquidity of the business. This sensitivity analysis shows that the Company has enough liquidity and cash to trade through a further slowdown. As a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least the following 12 months from the signing of these financial statements, and the directors believe that it is still appropriate to apply the going concern basis for the foreseeable future.

2.3 Turnover

Turnover represents the aggregate amount of gross revenue receivable from inclusive tours, travel agency commissions receivable, cancellation income and other services supplied to customers in the ordinary course of business.

Turnover derived from ordinary activities is recognised in the income statement on holiday departure date and is stated after trade discounts, net of VAT and after any other sales taxes.

Included within other operating income is commission received from resold tour packages.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold land and buildings	- Straight line over the lifetime of the lease
Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 5 years

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

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

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

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

2.7 Cash and cash equivalents

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising a gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge)
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.8 Financial instruments (continued)

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is recognised after more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2.9 Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.10 Hedge accounting

The Company uses foreign currency forward contracts to manage its exposure to cash flow risk on its future creditors payable in foreign currencies. These derivatives are measured at fair value at each statement of financial position date.

The effective portion of changes in the fair value of derivatives, that are designated and qualify as cash flow hedges, are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within "Fair value gain/(loss) on foreign exchange forward contracts".

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss (for example, when the forecast supplier payment that is hedged takes place).

When a hedged forecast transaction results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. These deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within "Foreign exchange gain/(loss)".

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.12 Finance costs

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

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

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

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.17 Interest income

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

2.18 Provisions for liabilities

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.19 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.21 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Income Statement at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgments in applying the Company's accounting policies

The directors believe that there are no critical judgments involved in applying the Company's accounting policies that warrant disclosure.

b) Key accounting estimates and assumptions

The directors believe that there are no key accounting estimates and assumptions involved in applying the Company's accounting policies that warrant disclosure.

4. Turnover

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

	2020 £	2019 £
Tour operator	9,870,443	16,397,121
	<u>9,870,443</u>	<u>16,397,121</u>

Analysis of turnover by source market:

	2020 £	2019 £
United Kingdom	9,796,144	16,259,152
Ireland	74,299	137,969
	<u>9,870,443</u>	<u>16,397,121</u>

CARIBTOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. Other operating income

	2020	2019
	£	£
Government furlough grants receivable	153,391	-
Commissions receivable and other income	12,954	19,211
	<u>166,345</u>	<u>19,211</u>

6. Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Foreign exchange differences	<u>(97,727)</u>	<u>(104,340)</u>

7. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>13,560</u>	<u>13,180</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

CARIBTOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8. Employees

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

	2020 £	2019 £
Wages and salaries	1,262,410	1,435,439
Social security costs	134,898	163,553
Cost of defined contribution scheme	32,269	39,666
	<u>1,429,577</u>	<u>1,638,658</u>

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

	2020 No.	2019 No.
Administration	20	25
Sales	11	12
	<u>31</u>	<u>37</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	161,519	237,812
Company contributions to defined contribution pension schemes	5,610	8,940
	<u>167,129</u>	<u>246,752</u>

During the year retirement benefits were accruing to 1 director (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £142,000 (2019 - £150,812).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,500 (2019 - £4,500).

Included within directors' emoluments above are non-cash benefits relating to private medical care paid for by the Company on behalf of directors.

CARIBTOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. Interest receivable

	2020 £	2019 £
Other interest receivable	7,291	22,987
	<u>7,291</u>	<u>22,987</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	364	38
	<u>364</u>	<u>38</u>

12. Taxation

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	(101,480)	5,532
	<u>(101,480)</u>	<u>5,532</u>
Taxation on (loss)/profit on ordinary activities		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(532,754)</u>	<u>13,773</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(101,223)	2,617
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(257)	2,915
Capital allowances for year in excess of depreciation	(1,661)	185
Utilisation of tax losses	-	(5,717)
Movement in deferred taxation	(101,480)	5,532
Unrelieved tax losses carried forward	103,141	-
Total tax charge for the year	<u><u>(101,480)</u></u>	<u><u>5,532</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2020 £	2019 £
A Ordinary		
Interim dividends	433,407	-
B Ordinary		
Interim dividends	216,593	-
	<u><u>650,000</u></u>	<u><u>-</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

14. Exceptional items

	2020 £	2019 £
Exceptional losses due to Thomas Cook's failure	34,473	-
	<u>34,473</u>	<u>-</u>

The Company incurred the exceptional losses above as a result of pipeline monies that were collected by Thomas Cook and which it still held upon its collapse on 23 September 2019. Thomas Cook had been acting as an agent for the Company, collecting monies from customers on its behalf, for which the Company still carried the obligation to fulfill customer bookings following the failure of Thomas Cook.

15. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2019	410,894	148,466	559,360
Additions	52,015	791	52,806
Disposals	(90,460)	(136,352)	(226,812)
At 30 September 2020	<u>372,449</u>	<u>12,905</u>	<u>385,354</u>
Depreciation			
At 1 October 2019	306,810	145,020	451,830
Charge for the year on owned assets	47,209	2,404	49,613
Disposals	(90,460)	(136,352)	(226,812)
At 30 September 2020	<u>263,559</u>	<u>11,072</u>	<u>274,631</u>
Net book value			
At 30 September 2020	<u>108,890</u>	<u>1,833</u>	<u>110,723</u>
At 30 September 2019	<u>104,084</u>	<u>3,446</u>	<u>107,530</u>

Apart from the fixed assets disclosed above, the Company has not committed to any capital expenditure at 30 September 2020 (2019 - £26,809).

CARIBTOURS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

16. Stocks

	2020 £	2019 £
Stocks	40,797	51,413
	<u>40,797</u>	<u>51,413</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	2020 £	2019 £
Trade debtors	112,363	188,488
Amounts owed by group undertakings	384,236	-
Other debtors	45,234	94,245
Prepayments and accrued income	488,217	1,022,933
Deferred taxation	117,555	16,075
Financial instruments	-	183,078
	<u>1,147,605</u>	<u>1,504,819</u>

18. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,705,706	3,501,740
	<u>1,705,706</u>	<u>3,501,740</u>

Included within cash at bank and in hand above is restricted cash of £33,961 (2019 - £38,661) provided as security for a guarantee in favour of the International Air Transport Association and Jumeirah Beach Hotel.

CARIBTOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	2,297,267	2,795,809
Trade creditors	25,418	121,577
Other taxation and social security	27,319	42,841
Other creditors	-	6,597
Accruals and deferred income	212,183	674,088
Financial instruments	41,970	-
	<u>2,604,157</u>	<u>3,640,912</u>

The Company had BSP outstanding cash sales of £135,627 at 30 September 2020, all of which were paid within October 2020.

20. Deferred taxation

	2020 £	2019 £
At 1 October 2018	16,075	21,607
Charged to profit or loss	101,480	(5,532)
At 30 September 2019	<u>117,555</u>	<u>16,075</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(16,236)	(14,575)
Tax losses carried forward	133,791	30,650
	<u>117,555</u>	<u>16,075</u>

CARIBTOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

21. Provisions

	Doubtful debts £	Interim rent £	Total £
Charged to profit or loss	11,045	86,000	97,045
At 30 September 2020	11,045	86,000	97,045

The provision for doubtful debts relates to outstanding marketing income which is considered unlikely to be received.

The provision for interim rent relates to additional rentals payable to the landlords of the Company's previous offices.

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
33,339 (2019 - 33,339) A Ordinary shares of £1.00 each	33,339	33,339
16,661 (2019 - 16,661) B Ordinary shares of £1.00 each	16,661	16,661
	50,000	50,000

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

23. Reserves**Foreign exchange reserve**

The foreign exchange reserve represents differences arising upon the revaluation of the Company's Irish business stated in Euros. The income, expenditure, assets and liabilities of the business are revalued to match the presentation currency of the Company for reporting purposes, to show the entirety of the Company's results in Pounds Sterling (GBP). See accounting policy 2.11 for details of how the individual balances within the Irish business are translated.

Other reserves

Other reserves relate to a cash flow hedging reserve to which, in accordance with the Company's accounting policies, the effective portion of changes in the fair value of foreign exchange forward contract derivatives are recognised.

Profit and loss account

The profit and loss account represents all current and prior period retained profits and losses, less any dividends paid to the Company's shareholders.

24. Contingent liabilities

At 30 September 2020, there were contingent liabilities outstanding in respect of counter indemnities given by the Company, in the normal course of business, to the Company's bond insurance obligors in respect of ABTA and IATA travel bonds amounting to £591,939 (2019 - £259,053).

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £32,269 (2019 - £39,666). Contributions totalling £Nil (2019 - £6,597) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 30 September 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	<i>2019</i>
	£	<i>£</i>
Not later than 1 year	2,780	<i>2,780</i>
Later than 1 year and not later than 5 years	8,340	<i>11,120</i>
	<u>11,120</u>	<u><i>13,900</i></u>

CARIBTOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

27. Transactions with directors

The following advances and credits to a director subsisted during the years ended 30 September 2019 and 30 September 2020:

	2020 £	2019 £
Mr P Cleary		
Balance at 1 October 2019	4,098	7,246
Amounts advanced	415	1,809
Amounts repaid	-	(4,957)
Balance at 30 September 2020	4,513	4,098

The above advance to Mr P Cleary at 30 September 2020 is unsecured, incurs 2.5% interest per annum and has no fixed repayment date.

28. Controlling party

On 23 December 2019, the Company was acquired by Winterfold Luxury Travel Limited, the immediate and ultimate holding company, which is registered in England and Wales. Copies of the financial statements of Winterfold Luxury Travel Limited can be obtained from 126-128 New Kings Road, London, SW6 4LZ.

The ultimate holding company is controlled by Mr P Cleary, a director, by virtue of his majority holding in the issued share capital of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

29. Cash flow hedges

At 30 September 2020, the Company had 14 foreign exchange forward contracts that it designated as cash flow hedges of highly probable foreign currency payments to suppliers for firm commitments in future periods. These contracts are entered into to minimise the Company's exposure to foreign exchange risk, between the prices agreed when a customer booking is made and when the supplier is paid.

The following table summarises the foreign currency cash flow hedging instruments in place as at 30 September 2020:

	2020 Volume	2020 Fair Value	2019 Volume	2019 Fair Value
	(Local Currency)	(GBP)	(Local Currency)	(GBP)
Foreign currency cash flow hedging instruments				
US Dollars (USD)	4,977,500	3,852,607	5,900,000	4,794,807
Emirati Dirhams (AED)	-	-	32,000	7,071
Total	4,977,500	3,852,607	5,932,000	4,801,878

The present value of the highly probable forecast foreign currency cash flows that were designated as the hedged items within the hedging relationship at 30 September 2020 totalled £3,479,445 (2019 - £4,330,097).

The following table summarises the expected timing and amounts of the forecast future cash flows, which will be recognised in the income statement in the same period in which the cash flows occur:

	Total £
Determination Period	
October - December 2020	854,351
January - March 2021	1,459,168
April - June 2021	648,189
July - September 2021	315,352
October - December 2021	202,385
Total	3,479,445

During the period, the Company recognised net losses of £225,048 (2019 - gains of £5,991) on forward currency cash flow hedging instruments, of which £143,056 were found to be effective and were recognised through other comprehensive income into the cash flow hedging reserve. Of the total net gains, £81,992 were found to be ineffective and were recognised in the income statement for the year.

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