

REGISTERED NUMBER: 03286143 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2017
for
Beech View Holdings Limited**

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for the Year Ended 31 December 2017**

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Beech View Holdings Limited

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

P M Slowe
G Thomson
M Pinggera

SECRETARY:

G Thomson

REGISTERED OFFICE:

Aldsworth Parade
Goring By Sea
West Sussex
BN12 4TX

REGISTERED NUMBER:

03286143 (England and Wales)

AUDITORS:

Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

**Group Strategic Report
for the Year Ended 31 December 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

REVIEW OF BUSINESS

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

The results for the year are set out on page 8.

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

Group Turnover has increased over the previous year from £18,932,292 to £19,165,259, a percentage increase of 1.2%. There has been a reduction in the Group gross profit margin from 39.9% in 2016 to 38.6% in 2017. Profit before taxation has remained stable at £1,098,699, slightly down from £1,100,989 in 2016.

The Group incurred a corporation tax charge of £179,981 (2016 - £85,553).

The Group experienced strong bookings in the first half of 2017, falling off towards the end of the year. A Senior Management Team, including the appointment of a new CFO in August 2017, was created in order to assist the CEO in implementing the strategic plan to grow the business.

The Group maintains a healthy balance sheet with net assets of £4,482,503 (2016 - £4,490,732).

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

FUTURE DEVELOPMENTS

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

Subsequent to the year end, but prior to date of these accounts, the directors of the company with full support of the shareholders have set aside up to £1.7m of funds from the Group's retained profits to be utilised as part of a restructuring initiative for the Group. The directors intend to utilise these funds to consolidate the Group's global operations, improve internal efficiencies across various departments and enhance its online and social media presence. The aim is to reduce overhead costs and bureaucratic burdens whilst more effectively targeting our customer base with a view of increasing turnover and improving profitability. It is anticipated that this process will take up to a year and a half.

**Group Strategic Report
for the Year Ended 31 December 2017**

FINANCIAL RISK MANAGEMENT

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

Foreign exchange transactional currency exposure

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

Liquidity risk

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

ON BEHALF OF THE BOARD:

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

P M Slowe - Director

3 September 2018

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

DIVIDENDS

Interim dividends per share were paid as follows:

Ordinary £1 shares	£31.00	- 29 December 2017
Preference £1 shares	£1.50	- 31 March 2017
	£1.50	- 30 June 2017
	£1.50	- 30 September 2017
	£1.50	- 31 December 2017
	<hr/>	
	£6.00	
	<hr/>	

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 December 2017 will be £860,512.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P M Slowe
G Thomson

Other changes in directors holding office are as follows:

K Slowe - resigned 4 October 2017
T Pastorius - resigned 4 December 2017

M Pinggera was appointed as a director after 31 December 2017 but prior to the date of this report.

R M Slowe ceased to be a director after 31 December 2017 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Beech View Holdings Limited (Registered number: 03286143)

**Report of the Directors
for the Year Ended 31 December 2017**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

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

P M Slowe - Director

3 September 2018

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

Opinion

We have audited the financial statements of Beech View Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gedalia Waldman BA ACA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Chartered Accountants & Statutory Auditors
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

4 September 2018

**Consolidated Income Statement
for the Year Ended 31 December 2017**

	Notes	2017 Continuing £	2017 Discontinued £	2017 Total £
TURNOVER	3	19,165,259	-	19,165,259
Cost of sales		(11,761,152)	-	(11,761,152)
GROSS PROFIT		7,404,107	-	7,404,107
Administrative expenses		(6,318,340)	(19,211)	(6,337,551)
		1,085,767	(19,211)	1,066,556
Other operating income		16,850	-	16,850
OPERATING PROFIT/(LOSS)	5	1,102,617	(19,211)	1,083,406
Interest receivable and similar income		17,381	-	17,381
Interest payable and similar expenses	6	(2,088)	-	(2,088)
PROFIT/(LOSS) BEFORE TAXATION		1,117,910	(19,211)	1,098,699
Tax on profit/(loss)	7	(174,181)	(5,800)	(179,981)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		943,729	(25,011)	918,718
Profit/(loss) attributable to: Owners of the parent				918,718

The notes form part of these financial statements

**Consolidated Income Statement
for the Year Ended 31 December 2017**

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

The notes form part of these financial statements

**Consolidated Other Comprehensive Income
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		918,718	1,015,436
OTHER COMPREHENSIVE INCOME			
F/ex difference on net investments		(66,435)	17,729
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(66,435)</u>	<u>17,729</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>852,283</u>	<u>1,033,165</u>
Total comprehensive income attributable to: Owners of the parent		<u>852,283</u>	<u>1,033,165</u>

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2017

		2017	2016
	Notes	£	£
FIXED ASSETS			
Tangible assets	10	46,727	50,868
Investments	11	-	-
		<u>46,727</u>	<u>50,868</u>
CURRENT ASSETS			
Debtors	12	1,357,447	2,115,929
Cash at bank and in hand		6,462,523	6,190,520
		<u>7,819,970</u>	<u>8,306,449</u>
CREDITORS			
Amounts falling due within one year	13	3,241,905	3,751,822
NET CURRENT ASSETS		<u>4,578,065</u>	<u>4,554,627</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,624,792</u>	<u>4,605,495</u>
CREDITORS			
Amounts falling due after more than one year	14	(56,601)	(49,598)
PROVISIONS FOR LIABILITIES	16	(85,688)	(65,165)
NET ASSETS		<u><u>4,482,503</u></u>	<u><u>4,490,732</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	36,002	36,002
Consolidation reserve	18	(95,951)	(29,516)
Retained earnings	18	4,542,452	4,484,246
SHAREHOLDERS' FUNDS		<u><u>4,482,503</u></u>	<u><u>4,490,732</u></u>

The financial statements were approved by the Board of Directors on 3 September 2018 and were signed on its behalf by:



P M Slowe - Director

Company Statement of Financial Position
31 December 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	26,018	30,300
Investments	11	129,531	130,895
		<u>155,549</u>	<u>161,195</u>
CURRENT ASSETS			
Debtors	12	4,195,408	3,442,466
Cash at bank		2,061,367	2,844,176
		<u>6,256,775</u>	<u>6,286,642</u>
CREDITORS			
Amounts falling due within one year	13	2,844,362	3,137,550
NET CURRENT ASSETS		<u>3,412,413</u>	<u>3,149,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,567,962</u>	<u>3,310,287</u>
CREDITORS			
Amounts falling due after more than one year	14	7,195	1,977
NET ASSETS		<u><u>3,560,767</u></u>	<u><u>3,308,310</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	36,002	36,002
Retained earnings	18	3,524,765	3,272,308
SHAREHOLDERS' FUNDS		<u><u>3,560,767</u></u>	<u><u>3,308,310</u></u>
Company's profit for the financial year		<u><u>1,112,969</u></u>	<u><u>1,211,121</u></u>

The financial statements were approved by the Board of Directors on 3 September 2018 and were signed on its behalf by:



P M Slowe - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Consolidation reserve £	Total equity £
Balance at 1 January 2016	36,002	4,561,342	(47,245)	4,550,099
Changes in equity				
Dividends	-	(1,092,532)	-	(1,092,532)
Total comprehensive income	-	1,015,436	17,729	1,033,165
Balance at 31 December 2016	<u>36,002</u>	<u>4,484,246</u>	<u>(29,516)</u>	<u>4,490,732</u>
Changes in equity				
Dividends	-	(860,512)	-	(860,512)
Total comprehensive income	-	918,718	(66,435)	852,283
Balance at 31 December 2017	<u>36,002</u>	<u>4,542,452</u>	<u>(95,951)</u>	<u>4,482,503</u>

**Company Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	36,002	3,153,719	3,189,721
Changes in equity			
Dividends	-	(1,092,532)	(1,092,532)
Total comprehensive income	-	1,211,121	1,211,121
Balance at 31 December 2016	<u>36,002</u>	<u>3,272,308</u>	<u>3,308,310</u>
Changes in equity			
Dividends	-	(860,512)	(860,512)
Total comprehensive income	-	1,112,969	1,112,969
Balance at 31 December 2017	<u>36,002</u>	<u>3,524,765</u>	<u>3,560,767</u>

**Consolidated Statement of Cash Flows
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	1,329,584	633,590
Interest paid		(2,087)	(281)
Interest element of hire purchase payments paid		(1)	-
Tax paid		(202,533)	(268,490)
Net cash from operating activities		<u>1,124,963</u>	<u>364,819</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(25,243)	(40,118)
Sale of tangible fixed assets		4,550	6,448
Interest received		17,381	23,189
Net cash from investing activities		<u>(3,312)</u>	<u>(10,481)</u>
Cash flows from financing activities			
Capital repayments in year		6,138	(879)
Amount withdrawn by directors		4,726	(6,884)
Equity dividends paid		(860,512)	(1,092,532)
Net cash from financing activities		<u>(849,648)</u>	<u>(1,100,295)</u>
Increase/(decrease) in cash and cash equivalents		<u>272,003</u>	<u>(745,957)</u>
Cash and cash equivalents at beginning of year	2	6,190,520	6,936,477
Cash and cash equivalents at end of year	2	<u><u>6,462,523</u></u>	<u><u>6,190,520</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 December 2017**

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

	2017	2016
	£	£
Profit before taxation	1,098,699	1,100,989
Depreciation charges	21,977	73,276
Loss on disposal of fixed assets	2,856	34,923
Consolidation adjustments	(66,434)	17,729
Movement in provisions	18,391	65,165
Finance costs	2,088	281
Finance income	(17,381)	(23,189)
	<u>1,060,196</u>	<u>1,269,174</u>
Decrease/(increase) in trade and other debtors	754,814	(77,550)
Decrease in trade and other creditors	(485,426)	(558,034)
	<u>1,329,584</u>	<u>633,590</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>6,462,523</u>	<u>6,190,520</u>

Year ended 31 December 2016

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

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

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

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

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

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

Business combinations and investments in subsidiaries

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

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

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

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

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

Significant judgements and estimates

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

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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

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

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

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

Financial instruments

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

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

Debtors

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

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at transaction price.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currency translation

Functional currency and presentation currency

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

Transactions and balances

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

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

Translation of group companies

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Leases

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

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

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

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

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

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

Pension costs and other post-retirement benefits

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

Revenue recognition

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

Provisions for liabilities

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

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

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

3. TURNOVER

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

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

	2017 £	2016 £
Provision of services	19,165,259	18,932,292
	<u>19,165,259</u>	<u>18,932,292</u>

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	3,234,419	3,598,728
North America	5,123,903	4,959,671
Europe	7,735,403	7,655,906
Rest of the World	3,071,534	2,717,987
	<u>19,165,259</u>	<u>18,932,292</u>

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	1,672,089	1,713,122
Social security costs	42,199	45,709
Other pension costs	9,413	9,131
	<u>1,723,701</u>	<u>1,767,962</u>

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

	2017	2016
Directors	4	4
Recruitment offices	23	22
Sales and marketing	37	37
Administration	6	6
Operations	65	62
Destinations	12	12
	<u>147</u>	<u>143</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 64 (2016 - 64).

	2017 £	2016 £
Directors' remuneration	<u>355,286</u>	<u>359,558</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

4. **EMPLOYEES AND DIRECTORS - continued**

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

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

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	218,250	218,249
	<u>218,250</u>	<u>218,249</u>

During the year, pension contributions of £1,071 (2016 - £600) were made into a defined contribution scheme on behalf of a director.

5. **OPERATING PROFIT**

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

	2017	2016
	£	£
Depreciation - owned assets	21,978	73,276
Loss on disposal of fixed assets	2,856	34,923
Auditors' remuneration	60,001	58,658
Foreign exchange differences	(75,634)	(68,098)
Operating lease payments	26,750	26,750
	<u>26,750</u>	<u>26,750</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Bank interest	2,087	281
Hire purchase interest	1	-
	<u>2,088</u>	<u>281</u>

7. **TAXATION**

Analysis of the tax charge

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	212,684	101,682
Foreign corporation tax	(38,503)	(16,129)
Total current tax	174,181	85,553
Deferred tax	5,800	-
Tax on profit	<u>179,981</u>	<u>85,553</u>

UK corporation tax has been charged at 19.25%.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>1,098,699</u>	<u>1,100,989</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	211,500	220,198
Effects of:		
Expenses not deductible for tax purposes	1,829	3,982
Capital allowances in excess of depreciation	(645)	2,879
Foreign subsidiaries tax effect	(38,503)	(16,129)
Prior year litigation provision	-	(125,377)
Deferred tax	<u>5,800</u>	<u>-</u>
Total tax charge	<u>179,981</u>	<u>85,553</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2017 Tax £	Net £
F/ex difference on net investments	<u>(66,435)</u>	<u>-</u>	<u>(66,435)</u>
	Gross £	2016 Tax £	Net £
Consolidation reserve	<u>17,729</u>	<u>-</u>	<u>17,729</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The net profit in the individual financial statements is £1,112,969 (2016: £1,211,121).

9. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	799,180	1,031,200
Preference shares of £1 each		
Interim	<u>61,332</u>	<u>61,332</u>
	<u>860,512</u>	<u>1,092,532</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

10. TANGIBLE FIXED ASSETS

Group

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2017	67,321	101,936	50,000	70,655	289,912
Additions	5,844	8,230	-	11,169	25,243
Disposals	(6,302)	(62,078)	-	(5,575)	(73,955)
At 31 December 2017	66,863	48,088	50,000	76,249	241,200
DEPRECIATION					
At 1 January 2017	58,688	88,498	28,906	62,952	239,044
Charge for year	2,659	8,231	5,274	5,814	21,978
Eliminated on disposal	(3,723)	(58,217)	-	(4,609)	(66,549)
At 31 December 2017	57,624	38,512	34,180	64,157	194,473
NET BOOK VALUE					
At 31 December 2017	9,239	9,576	15,820	12,092	46,727
At 31 December 2016	8,633	13,438	21,094	7,703	50,868

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

Company

	Office equipment £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2017	39,575	20,373	50,000	20,149	130,097
Additions	5,843	275	-	1,165	7,283
Disposals	(4,544)	(1,760)	-	(2,712)	(9,016)
At 31 December 2017	40,874	18,888	50,000	18,602	128,364
DEPRECIATION					
At 1 January 2017	34,598	17,328	28,906	18,965	99,797
Charge for year	1,794	830	5,274	918	8,816
Eliminated on disposal	(2,072)	(1,760)	-	(2,435)	(6,267)
At 31 December 2017	34,320	16,398	34,180	17,448	102,346
NET BOOK VALUE					
At 31 December 2017	6,554	2,490	15,820	1,154	26,018
At 31 December 2016	4,977	3,045	21,094	1,184	30,300

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2017	130,895
Impairments	(1,364)
	<hr/>
At 31 December 2017	129,531
	<hr/>
NET BOOK VALUE	
At 31 December 2017	129,531
	<hr/>
At 31 December 2016	130,895
	<hr/>

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

Subsidiaries

Projects Abroad (UK) Limited

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad (Europe) Limited

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad Travel Limited

Registered office: United Kingdom

Nature of business: Facilitating overseas travel for UK customers

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad Incorporated

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Projects Abroad Limited

Registered office: United Kingdom

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

11. FIXED ASSET INVESTMENTS - continued

Sivakasi Projects Abroad Private Limited

Registered office: India

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary shares	100.00

Sivakasi Projects Abroad Private Limited ceased trading on 10th March 2016. The costs incurred in 2017 relate to closing-down costs.

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

Registered office: Mexico

Nature of business: Arranging project facilities for applicants

	%
Class of shares:	holding
Ordinary	100.00

Projects Abroad (Shanghai) Business Consulting Co. Limited

Registered office: China

Nature of business: Business consultancy

	%
Class of shares:	holding
Ordinary	100.00

Projects Abroad Brasov SRL

Registered office: Romania

Nature of business: Web hosting and website creation

	%
Class of shares:	holding
Ordinary	100.00

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	272,579	530,939	-	-
Amounts owed by group undertakings	-	-	4,187,744	3,430,254
Other debtors	406,454	415,004	-	-
Amounts owed from related parties	20,979	-	-	-
Value added tax	32,743	27,657	-	-
Deferred tax asset	-	3,668	-	-
Prepayments and accrued income	624,692	1,138,661	7,664	12,212
	<u>1,357,447</u>	<u>2,115,929</u>	<u>4,195,408</u>	<u>3,442,466</u>

Deferred tax asset

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax	-	3,668	-	-
	<u>-</u>	<u>3,668</u>	<u>-</u>	<u>-</u>

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Hire purchase contracts (see note 15)	1,799	879	1,799	879
Trade creditors	400,342	475,271	-	-
Amounts owed to group undertakings	-	-	2,834,246	3,133,080
Corporation tax	2,081	30,433	-	-
Social security and other taxes	116,181	92,918	-	-
Other creditors	131,584	275,196	-	-
Directors' current accounts	8,317	3,591	8,317	3,591
Accruals and deferred income	2,581,601	2,873,534	-	-
	<u>3,241,905</u>	<u>3,751,822</u>	<u>2,844,362</u>	<u>3,137,550</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Hire purchase contracts (see note 15)	7,195	1,977	7,195	1,977
Other creditors	49,406	47,621	-	-
	<u>56,601</u>	<u>49,598</u>	<u>7,195</u>	<u>1,977</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	1,799	879
Between one and five years	7,195	1,977
	<u>8,994</u>	<u>2,856</u>

Company

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	1,799	879
Between one and five years	7,195	1,977
	<u>8,994</u>	<u>2,856</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017

15. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	26,750	26,750
Between one and five years	133,750	133,750
In more than five years	387,875	414,625
	<u>548,375</u>	<u>575,125</u>

16. PROVISIONS FOR LIABILITIES

Group

	2017	2016
	£	£
Deferred tax	<u>2,132</u>	<u>-</u>
Other provisions		
Other provisions	15,770	-
Holiday pay provision	<u>67,786</u>	<u>65,165</u>
	<u>83,556</u>	<u>65,165</u>
Aggregate amounts	<u>85,688</u>	<u>65,165</u>

Group

	Deferred tax	Other provisions
	£	£
Balance at 1 January 2017	(3,668)	65,165
Provided during year	5,800	-
Holiday pay provision	-	2,661
Other provisions	-	15,770
	<u>2,132</u>	<u>83,596</u>
Balance at 31 December 2017	<u>2,132</u>	<u>83,596</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

16. PROVISIONS FOR LIABILITIES - continued

Fiji Revenue Services Tax Case

In October 2017 Projects Abroad Organization Ltd (PAOL) received an estimated assessment of tax from the Fiji Revenue Customs Services. According to independent legal advice, although PAOL is a separate legal entity, and the basis of the claim against PAOL is not likely to be enforceable, there is a possibility under Fiji tax law that the Group could be liable for taxes relating to the period from 1 January 2014 to 31 December 2017. The directors have made a provision of £15,770 following consultation with legal counsel and making due consideration as to the probable economic outflow.

Holiday Pay Provision

The Group's holiday policy is to allow staff to take the agreed number of holidays between 1st April and 31st March in any given year.

As at 31st December 2017 the value of unclaimed holidays (holidays due but not taken) was £67,786. This value was calculated using an average salary cost per day. These holidays were subsequently taken between 1st January 2018 and 31st March 2018, unless there were specific agreements to allow staff to carry forward unclaimed holiday beyond that date.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
25,780	Ordinary	£1	25,780	25,780
10,222	Preference	£1	10,222	10,222
			<u>36,002</u>	<u>36,002</u>

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

18. RESERVES

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

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

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

19. RELATED PARTY DISCLOSURES

Amounts due from related parties, where directors have material interest or execute significant control, are unsecured, interest free and repayable on demand.

During the period under review, rent of £26,751 (2016 - £26,749) was paid to an entity controlled by a sibling of a director. From this sum, £22,929 (2016 - £22,555) was recharged to fellow subsidiary undertakings.

Also during the period under review, consultancy fees of £30,154 (2016 - £80,079) were paid to another sibling of a director. From this sum, £25,730 (2016 - £67,086) was recharged to fellow subsidiary undertakings.

During the year, in addition to directors' remuneration, key management personnel received remuneration amounting to £206,431 (2016 - £119,995).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2017**

20. ULTIMATE CONTROLLING PARTY

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

21. FINANCIAL ASSETS & LIABILITIES

	2017	2016
	£	£
Financial assets measured at amortised cost	<u>7,141,556</u>	<u>7,136,164</u>
Financial liabilities measured at amortised cost	<u>674,028</u>	<u>817,447</u>

All financial assets and liabilities are held at amortised cost.