

**REGISTERED NUMBER: 03638326 (England and Wales)**

**Strategic Report, Report of the Director and  
Financial Statements for the Period 1 October 2015 to 31 October 2016  
for  
AIAL Limited  
Previously known as  
Alpha International Accommodation  
Limited**

**AIAL Limited (Registered number: 03638326)  
previously known as  
Alpha International Accommodation  
Limited**

**Contents of the Financial Statements  
for the Period 1 October 2015 to 31 October 2016**

|   | <b>Page</b> |
|---|-------------|
| <b>Company Information</b>                | 1           |
| <b>Strategic Report</b>                   | 2           |
| <b>Report of the Director</b>             | 4           |
| <b>Report of the Independent Auditors</b> | 6           |
| <b>Income Statement</b>                   | 9           |
| <b>Other Comprehensive Income</b>         | 10          |
| <b>Balance Sheet</b>                      | 11          |
| <b>Statement of Changes in Equity</b>     | 12          |
| <b>Cash Flow Statement</b>                | 13          |
| <b>Notes to the Cash Flow Statement</b>   | 14          |
| <b>Notes to the Financial Statements</b>  | 15          |
| <b>Reconciliation of Equity</b>           | 28          |
| <b>Reconciliation of Profit</b>           | 30          |

**AIAL Limited**  
**previously known as**  
**Alpha International Accommodation**  
**Limited**

**Company Information**  
**for the Period 1 October 2015 to 31 October 2016**

**DIRECTOR:** J B Fry

**REGISTERED OFFICE:** Plantation House  
261-263 Ecclesall Road  
Sheffield  
South Yorkshire  
S11 8NX

**REGISTERED NUMBER:** 03638326 (England and Wales)

**SENIOR STATUTORY AUDITOR:** M S Caldicott ACA FCCA CTA

**AUDITORS:** White Hart Associates (London) Limited  
Chartered Accountants and Statutory Auditors  
2nd Floor, Nucleus House  
2 Lower Mortlake Road  
Richmond  
TW9 2JA

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Strategic Report**  
**for the Period 1 October 2015 to 31 October 2016**

The director presents his strategic report for the period 1 October 2015 to 31 October 2016.

**REVIEW OF BUSINESS**

The company is required by the Companies Act 2006 to set out in this report, a fair review of the business of the company during the period ended 31 October 2016, the position of the company at the end of the period and 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 is approaching the end of an ongoing dispute with HM Revenue & Customs ("HMRC") before the First-tier Tribunal (Tax) ("Tax Tribunal"). The Tax Tribunal has confirmed that, as a matter of UK law, the company was acting as agent, such that its agency supplies were not subject to UK TOMS. However, HMRC maintained that, as a matter of EU law, the supplies should fall within TOMS, and that it was necessary to obtain a ruling from the CJEU to provide assistance on this issue. In November 2018, the Tax Tribunal considered HMRC's application to refer a preliminary question to the CJEU, but HMRC's application for a reference was ultimately refused. HMRC have however filed an application for permission to appeal the Tax Tribunal's decision and there is no fixed time frame for the decision on this application. At the date of this Report, no decision on the application has been received. Ultimately, if HMRC's application is unsuccessful, the company's appeals will be allowed, such that it will be entitled to a repayment of overpaid VAT from HMRC.

The director has therefore taken the view that it is now almost certain that the TOMS VAT repayments will be received and a provision has thus been included in the accounts in other debtors. This provision is based on the full amount of VAT recoverable as per the assessments raised by HMRC together with a prudent estimated calculation of the amount of VAT recoverable on additional TOMS payments made subsequent to the assessment periods. Associated legal and professional costs have also been accrued for in other creditors.

As a result of a restructure, on 20 October 2016, the company's travel agency trade and assets less liabilities were transferred to its parent company for consideration of £1. As an addition to this, any recovery of the TOMS VAT monies as referred to above will be due in whole or part to the same parent company and an associated creditor provision has thus been made.

After the restructure, the company continued its trade of carrying out research and development activities to develop travel technology software and providing social media marketing services to the UK travel trade.

**Key performance indicators**

The key performance indicators used by the directors to monitor the progress of the company are as follows:

|   | £ | £ | 2016        | 2015       |
|---|---|---|-------------|------------|
| Total transaction value - "TTV"                     |   |   | 75,129,215  | 87,743,836 |
| Turnover - commissions and margin                   |   |   | 13,389,541  | 12,305,639 |
| Turnover as a percentage of TTV                     |   |   | 17.82%      | 14.02%     |
| (Loss)/Profit after tax                             |   |   | (1,514,171) | 94,446     |
| (Loss)/Profit after tax as a percentage of turnover |   |   | (11.31%)    | 0.76%      |

These indicators will change going forward following the transfer of the travel agency trade.

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**Strategic Report  
for the Period 1 October 2015 to 31 October 2016**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company operated in a global market and had traditionally been strong in areas that are currently perceived as "safer". The immediate focus was to maximise performance in these areas whilst still being placed to take advantage of an upturn in the wider market.

The company was exposed to various regulators, including the Civil Aviation Authority ("CAA") which issued an Air Travel Organisers Licence ("ATOL") which was required in order for the company to operate. This license was renewed in September each year and was subject to assessments of fitness and financial criteria, the framework of which is available on the CAA website ([www.caa.co.uk](http://www.caa.co.uk)). The licence was not renewed following the transfer of the travel agency trade.

The nature of the business exposed the company to geo-political events and natural disasters. The geographical spread of destinations served by the company and the lack of commitment mitigated the risk of such events.

The company was heavily reliant on information technology. Such systems are inherently susceptible to failure which would result in an impact on the company's selling systems and marketing via the internet. The company had made arrangements to mitigate this risk.

The company was exposed to translation and transaction foreign exchange risk. Transaction exposures, including those associated with forecast transactions, were partly hedged when known, principally using forward currency contracts and options. Whilst the aim was to achieve an economic hedge, the company did not adopt an accounting policy of hedge accounting for these financial statements.

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

**RESEARCH AND DEVELOPMENT ACTIVITIES**

The online retail market has seen significant technological advances in recent years, and this trend is expected to continue, particularly in relation to cloud website hosting and consumer device usage. The company has made significant internal investment into software development. The majority of the software which hosts and operates the company's website has been developed in-house, and is seen as a saleable asset of the company. A significant proportion of this work has been recognised by HM Revenue and Customs as Research and Development and as such qualifies for tax relief.

**FUTURE DEVELOPMENTS**

After the transfer of the travel agency business to its parent company, the company has plans to focus on continuing to carry out research and development in order to develop and distribute travel related software and provide social media marketing services to the UK travel trade.

**ON BEHALF OF THE BOARD:**

J B Fry - Director

1 August 2019

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Report of the Director**  
**for the Period 1 October 2015 to 31 October 2016**

The director presents his report with the financial statements of the company for the period 1 October 2015 to 31 October 2016.

**CHANGE OF NAME**

The company passed a special resolution on 20 October 2016 changing its name from Alpha International Accommodation Limited to AIAL Limited.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the period under review were those of an online travel agent and provider of travel related software and social media marketing services. The online travel agency trade and assets less liabilities were transferred to the company's parent entity on 20 October 2016.

**DIVIDENDS**

An interim dividend of £130,900 was paid during the year.

**DIRECTORS**

J B Fry has held office during the whole of the period from 1 October 2015 to the date of this report.

Other changes in directors holding office are as follows:

Ms J L Bedlow ceased to be a director after 31 October 2016 but prior to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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 company's auditors are aware of that information.

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**Report of the Director  
for the Period 1 October 2015 to 31 October 2016**

**AUDITORS**

The auditors, White Hart Associates (London) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J B Fry - Director

1 August 2019

**Report of the Independent Auditors to the Members of  
AIAL Limited  
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**Opinion**

We have audited the financial statements of AIAL Limited (the 'company') for the period ended 31 October 2016 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 company's affairs as at 31 October 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report of the Independent Auditors to the Members of  
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**Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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, 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.

**The impact of uncertainties due to Britain exiting the European Union on our audit**

Uncertainties related to the effects of 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.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are 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 and this is particularly the case in relation to Brexit.

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

**Matters on which we are required to report by exception**

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

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, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of  
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**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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](http://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.

M S Caldicott ACA FCCA CTA (Senior Statutory Auditor)  
for and on behalf of White Hart Associates (London) Limited  
Chartered Accountants and Statutory Auditors  
2nd Floor, Nucleus House  
2 Lower Mortlake Road  
Richmond  
TW9 2JA

1 August 2019

**AIAL Limited (Registered number: 03638326)**  
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**Income Statement**  
**for the Period 1 October 2015 to 31 October 2016**

|  | Notes | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|--|-------|--|----------------------------|
| <b>REVENUE</b>   | 2     | 13,389,541                               | 12,305,639                 |
| Administrative expenses                                |       | <u>15,583,576</u>                        | <u>12,465,473</u>          |
| <b>OPERATING LOSS</b>                                  | 4     | (2,194,035)                              | (159,834)                  |
| Profit on transfer of<br>trade to parent company       |       | <u>761,463</u><br>(1,432,572)            | <u>-</u><br>(159,834)      |
| Interest receivable and similar income                 |       | <u>21,628</u><br>(1,410,944)             | <u>33,040</u><br>(126,794) |
| Investments written off                                | 5     | <u>355,101</u><br>(1,766,045)            | <u>-</u><br>(126,794)      |
| Interest payable and similar charges                   | 6     | <u>756</u>                               | <u>1,510</u>               |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | (1,766,801)                              | (128,304)                  |
| Tax on loss on ordinary activities                     | 7     | <u>(252,630)</u>                         | <u>(222,750)</u>           |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL<br/>PERIOD</b>      |       | <u>(1,514,171)</u>                       | <u>94,446</u>              |

The notes form part of these financial statements

**AIAL Limited (Registered number: 03638326)  
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**Other Comprehensive Income  
for the Period 1 October 2015 to 31 October 2016**

| Notes   | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|---|--|----------------------------|
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>                                 | (1,514,171)                              | 94,446                     |
| <b>OTHER COMPREHENSIVE INCOME</b>                                   |  |                            |
| Income tax relating to other comprehensive income                   | -  | (150,750)                  |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b> | <u>-</u>                                 | <u>-</u>                   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                    | <u>(1,514,171)</u>                       | <u>(150,750)</u>           |
|   | <u>(1,514,171)</u>                       | <u>(56,304)</u>            |

The notes form part of these financial statements

**AIAL Limited (Registered number: 03638326)**  
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**Balance Sheet**  
**31 October 2016**

|  | Notes | 2016<br>£      | £                | 2015<br>£         | £                  |
|--|-------|----------------|------------------|-------------------|--------------------|
| <b>FIXED ASSETS</b>                          |       |                |                  |                   |                    |
| Intangible assets                            | 9     |                | -                |                   | 1,800,816          |
| Property, plant and equipment                | 10    |                | -                |                   | 1,128,620          |
| Investments                                  | 11    |                | -                |                   | 355,101            |
|  |       |                | -                |                   | <u>3,284,537</u>   |
| <b>CURRENT ASSETS</b>                        |       |                |                  |                   |                    |
| Debtors                                      | 12    | 7,095,092      |                  | 16,077,075        |                    |
| Cash at bank                                 |       | <u>10,295</u>  |                  | <u>10,471,822</u> |                    |
|  |       | 7,105,387      |                  | 26,548,897        |                    |
| <b>CREDITORS</b>                             |       |                |                  |                   |                    |
| Amounts falling due within one year          | 13    | <u>480,112</u> |                  | <u>28,417,273</u> |                    |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>      |       |                | <u>6,625,275</u> |                   | <u>(1,868,376)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 6,625,275        |                   | 1,416,161          |
| <b>CREDITORS</b>                             |       |                |                  |                   |                    |
| Amounts falling due after more than one year | 14    |                | <u>6,854,185</u> |                   | -                  |
| <b>NET (LIABILITIES)/ASSETS</b>              |       |                | <u>(228,910)</u> |                   | <u>1,416,161</u>   |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                  |                   |                    |
| Called up share capital                      | 16    |                | 1,000            |                   | 1,000              |
| Share premium                                | 17    |                | 269,889          |                   | 269,889            |
| Capital redemption reserve                   | 17    |                | 111              |                   | 111                |
| Retained earnings                            | 17    |                | <u>(499,910)</u> |                   | <u>1,145,161</u>   |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                | <u>(228,910)</u> |                   | <u>1,416,161</u>   |

The financial statements were approved by the director on 1 August 2019 and were signed by:

J B Fry - Director

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**Statement of Changes in Equity**  
**for the Period 1 October 2015 to 31 October 2016**

|                                     | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Share<br>premium<br>£ | Capital<br>redemption<br>reserve<br>£ | Total<br>equity<br>£ |
|-------------------------------------|------------------------------------|---------------------------|-----------------------|---------------------------------------|----------------------|
| <b>Balance at 1 October 2014</b>    | 1,111                              | 1,344,265                 | 269,889               | -                                     | 1,615,265            |
| <b>Changes in equity</b>            |                                    |                           |                       |                                       |                      |
| Issue of share capital              | (111)                              | -                         | -                     | -                                     | (111)                |
| Dividends                           | -                                  | (142,800)                 | -                     | -                                     | (142,800)            |
| Total comprehensive income          | -                                  | (56,304)                  | -                     | 111                                   | (56,193)             |
| <b>Balance at 30 September 2015</b> | <u>1,000</u>                       | <u>1,145,161</u>          | <u>269,889</u>        | <u>111</u>                            | <u>1,416,161</u>     |
| <b>Changes in equity</b>            |                                    |                           |                       |                                       |                      |
| Dividends                           | -                                  | (130,900)                 | -                     | -                                     | (130,900)            |
| Total comprehensive income          | -                                  | (1,514,171)               | -                     | -                                     | (1,514,171)          |
| <b>Balance at 31 October 2016</b>   | <u>1,000</u>                       | <u>(499,910)</u>          | <u>269,889</u>        | <u>111</u>                            | <u>(228,910)</u>     |

The notes form part of these financial statements

**AIAL Limited (Registered number: 03638326)**  
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**Cash Flow Statement**  
**for the Period 1 October 2015 to 31 October 2016**

|   | Notes | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|---|-------|--|----------------------------|
| <b>Cash flows from operating activities</b>             |       |  |                            |
| Cash generated from operations                          | 1     | (12,304,949)                             | (660,374)                  |
| Interest paid   |       | (756)                                    | (1,510)                    |
| Tax paid  |       | 76,494                                   | 194,940                    |
| Net cash from operating activities                      |       | <u>(12,229,211)</u>                      | <u>(466,944)</u>           |
| <b>Cash flows from investing activities</b>             |       |  |                            |
| Purchase of intangible fixed assets                     |       | (767,918)                                | (883,030)                  |
| Purchase of tangible fixed assets                       |       | (5,197)                                  | (54,635)                   |
| Sale of intangible fixed assets                         |       | 1,830,327                                | -                          |
| Sale of tangible fixed assets                           |       | 819,744                                  | -                          |
| Interest received                                       |       | 21,628                                   | 33,040                     |
| Net cash from investing activities                      |       | <u>1,898,584</u>                         | <u>(904,625)</u>           |
| <b>Cash flows from financing activities</b>             |       |  |                            |
| Loan repayments in year                                 |       | -  | (101,127)                  |
| Share buyback   |       | -  | (150,638)                  |
|   |       | -  | (111)                      |
| Equity dividends paid                                   |       | (130,900)                                | (142,800)                  |
| Net cash from financing activities                      |       | <u>(130,900)</u>                         | <u>(394,676)</u>           |
| <b>Decrease in cash and cash equivalents</b>            |       | <u>(10,461,527)</u>                      | <u>(1,766,245)</u>         |
| <b>Cash and cash equivalents at beginning of period</b> | 2     | 10,471,822                               | 12,238,067                 |
| <b>Cash and cash equivalents at end of period</b>       | 2     | <u>10,295</u>                            | <u>10,471,822</u>          |

The notes form part of these financial statements

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**Notes to the Cash Flow Statement**  
**for the Period 1 October 2015 to 31 October 2016**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

|  | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|--|--|----------------------------|
| Loss before taxation                             | (1,766,801)                              | (128,304)                  |
| Depreciation charges                             | 825,231                                  | 706,972                    |
| Loss on disposal of fixed assets                 | 227,250                                  | -                          |
| Intercompany balances written off                | 1,372,135                                | -                          |
| Investment in subsidiaries written off           | 350,101                                  | -                          |
| Other investments written off                    | 5,000                                    | -                          |
| Finance costs                                    | 756                                      | 1,510                      |
| Finance income                                   | (21,628)                                 | (33,040)                   |
|  | <u>992,044</u>                           | <u>547,138</u>             |
| Decrease/(increase) in trade and other debtors   | 7,472,218                                | (2,967,176)                |
| (Decrease)/increase in trade and other creditors | (20,769,211)                             | 1,759,664                  |
| <b>Cash generated from operations</b>            | <u>(12,304,949)</u>                      | <u>(660,374)</u>           |

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 31 October 2016**

|                           | 31/10/16<br>£ | 1/10/15<br>£      |
|---------------------------|---------------|-------------------|
| Cash and cash equivalents | <u>10,295</u> | <u>10,471,822</u> |

**Year ended 30 September 2015**

|                           | 30/9/15<br>£      | 1/10/14<br>£      |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | <u>10,471,822</u> | <u>12,238,067</u> |

The notes form part of these financial statements

**AIAL Limited (Registered number: 03638326)**  
**previously known as**  
**Alpha International Accommodation**  
**Limited**

**Notes to the Financial Statements**  
**for the Period 1 October 2015 to 31 October 2016**

**1. 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.

**Preparation of consolidated financial statements**

The financial statements reflect the results of AIAL Limited on a standalone basis. Group consolidated financial statements including the results of the company's wholly owned subsidiaries have not been prepared. This is due to there being no trading activity in the subsidiaries during the period. All of the five subsidiaries have been dissolved at the date of this report.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

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

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

**Going concern**

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. Although the current year's trading has been difficult, due to continuing uncertainties prevalent in the industry, the director is confident that he can trade profitably and maintain liquidity for the coming year by focussing on software development and social media marketing activities. He has considered the period for at least 12 months following the approval of these annual financial statements and has prepared forecasts and projections to support this opinion, including compliance with bank and bond covenants.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**Turnover**

Turnover represents the commission/margin earned on all overseas accommodation and travel arrangements sold, recognised on the date of booking basis, net of value added tax and discounts.

Turnover is attributable to one continuing activity.

Total transaction value (TTV) is the total gross sales amounts receivable in respect of accommodation and travel sales for the year. Section 23 of FRS 102 requires the statutory turnover to be the net commission/margin earned.

Trade debtors still represent gross amounts receivable in respect of overseas accommodation and travel sales, and trade creditors still represent gross amounts payable in respect of overseas accommodation and travel purchases.

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

1. **ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets are valued at cost, being purchase price, less depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                                   |                      |
|-----------------------------------|----------------------|
| Long leasehold land and buildings | over 50 years        |
| Computer equipment                | 25% straight line    |
| Motor vehicles                    | 25% reducing balance |
| Plant and machinery               | 25% straight line    |

**Taxation**

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions of retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- The company is able to control the reversal of the timing differences; and
- It is probable that the timing differences will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributable to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense/ (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense/ (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

**Research and development**

The company has developed a sophisticated booking engine to process information from hoteliers, and a search engine to help customers find the hotels and flights that suit their requirements. Directly attributable and ascertainable research and development costs in respect of this and other related projects have either been expensed in the Income statement or capitalised by the company as intangible fixed assets. The fixed assets attributable to the research and development are being amortised over their estimated economic life of 4 years. The amortisation is being charged to the Income Statement.

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**1. ACCOUNTING POLICIES - continued**

**Functional currency and presentation currency**

The financial statements of the company 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.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions are charged to the Income statement as they become payable in accordance with the rules of the scheme.

**Hire purchase and leasing commitments**

Leases are classified as finance leases when they transfer substantially all the risks and rewards of ownership of the leased assets to the company. Other leases that do not transfer substantially all the risks and rewards of ownership of the leased assets to the company are classified as operating leases.

Rights to use assets and corresponding obligations to lessors under finance leases are recognised in the Balance Sheet as assets and liabilities at the lower of fair value of the assets and the present value of the minimum lease payments, determined at the inception of the lease.

Lease payments are apportioned between finance charges and reduction of outstanding lease liabilities using the effective interest method so as to produce a constant rate of interest on the remaining balance of the liabilities. Finance charges are recognised in the Income statement.

Assets held under finance leases are included in property, plant and equipment and are depreciated and reviewed for impairment in the same way as assets owned outright.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the lease term.

**Impairment of non-financial assets**

At each reporting date non financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of the value in use and the fair value less cost to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

**AIAL Limited (Registered number: 03638326)  
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Limited**

**Notes to the Financial Statements - continued  
for the Period 1 October 2015 to 31 October 2016**

**1. ACCOUNTING POLICIES - continued**

**Provisions**

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

A provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months is recognised. The provision is measured at the salary cost payable for the period of absence.

**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.

**Creditors**

Short term trade creditors are measured at 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.

**Other financial liabilities**

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. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

**2. REVENUE**

The revenue and loss before taxation are attributable to the principal activities of the company.

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

|                     | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|---------------------|--|----------------------------|
| Online travel agent | 13,389,541                               | 12,305,639                 |
|                     | <u>13,389,541</u>                        | <u>12,305,639</u>          |

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**2. REVENUE - continued**

An analysis of revenue by geographical market is given below:

|                | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|----------------|--|----------------------------|
| UK and Ireland | 13,389,541                               | 12,305,639                 |
|                | <u>13,389,541</u>                        | <u>12,305,639</u>          |

**3. STAFF COSTS**

|                       | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|-----------------------|--|----------------------------|
| Wages and salaries    | 3,068,005                                | 2,366,089                  |
| Social security costs | 311,207                                  | 250,034                    |
| Other pension costs   | 34,202                                   | 17,395                     |
|                       | <u>3,413,414</u>                         | <u>2,633,518</u>           |

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

|                | Period<br>1/10/15<br>to<br>31/10/16 | Year Ended<br>30/9/15 |
|----------------|-------------------------------------|-----------------------|
| Administration | 55                                  | 58                    |
| Development    | 9                                   | 12                    |
| Marketing      | 6                                   | 8                     |
| Sales          | 45                                  | 71                    |
|                | <u>115</u>                          | <u>149</u>            |

**4. OPERATING LOSS**

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

|                                  | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|----------------------------------|--|----------------------------|
| Depreciation - owned assets      | 86,823                                   | 111,220                    |
| Loss on disposal of fixed assets | 227,250                                  | -                          |
| Development costs amortisation   | 738,407                                  | 595,753                    |
| Auditors' remuneration           | 52,522                                   | 30,713                     |
| Foreign exchange differences     | -  | (28,674)                   |
|                                  | <u>-</u>                                 | <u>(28,674)</u>            |

**AIAL Limited (Registered number: 03638326)  
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Alpha International Accommodation  
Limited**

**Notes to the Financial Statements - continued  
for the Period 1 October 2015 to 31 October 2016**

**4. OPERATING LOSS - continued**

|                         |         |        |
|-------------------------|---------|--------|
| Directors' remuneration | 243,532 | 76,531 |
|-------------------------|---------|--------|

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

|                        |   |   |
|------------------------|---|---|
| Money purchase schemes | 2 | 1 |
|------------------------|---|---|

Information regarding the highest paid director for the period ended 31 October 2016 is as follows:

|                | Period<br>1/10/15<br>to<br>31/10/16<br>£ |  |
|----------------|--|--|
| Emoluments etc | 160,469                                  |  |

**5. INVESTMENTS WRITTEN OFF**

|  | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|--|--|----------------------------|
| Unlisted investments written off       | 5,000                                    | -                          |
| Investment in subsidiaries written off | 350,101                                  | -                          |
|  | 355,101                                  | -                          |

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

|                       | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|-----------------------|--|----------------------------|
| Bank interest payable | 756                                      | 1,510                      |

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**7. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the period was as follows:

|   | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|---|--|----------------------------|
| Current tax:                            |  |                            |
| UK corporation tax                      | (263,331)                                | (97,607)                   |
| Corporation Tax - Prior year adjustment | <u>(70,054)</u>                          | <u>(97,333)</u>            |
| Total current tax                       | <u>(333,385)</u>                         | <u>(194,940)</u>           |
| Deferred tax                            | <u>80,755</u>                            | <u>(27,810)</u>            |
| Tax on loss on ordinary activities      | <u><u>(252,630)</u></u>                  | <u><u>(222,750)</u></u>    |

**Tax effects relating to effects of other comprehensive income**

|  | Gross<br>£              | 2015<br>Tax<br>£ | Net<br>£                |
|--|-------------------------|------------------|-------------------------|
| Purchase of own shares                 | (150,750)               | -                | (150,750)               |
| Transfer to capital redemption reserve | <u>111</u>              | -                | <u>111</u>              |
|  | <u><u>(150,639)</u></u> | <u><u>-</u></u>  | <u><u>(150,639)</u></u> |

**8. DIVIDENDS**

|                               | Period<br>1/10/15<br>to<br>31/10/16<br>£ | Year Ended<br>30/9/15<br>£ |
|-------------------------------|--|----------------------------|
| Ordinary shares of £0.01 each |  |                            |
| Interim                       | <u>130,900</u>                           | <u>142,800</u>             |

**AIAL Limited (Registered number: 03638326)**  
**previously known as**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**9. INTANGIBLE FIXED ASSETS**

|                         | Development<br>costs<br>£ |
|-------------------------|---------------------------|
| <b>COST</b>             |                           |
| At 1 October 2015       | 3,072,920                 |
| Additions               | 767,918                   |
| Disposals               | (3,840,838)               |
| At 31 October 2016      | <u>-</u>                  |
| <b>AMORTISATION</b>     |                           |
| At 1 October 2015       | 1,272,104                 |
| Amortisation for period | 738,407                   |
| Eliminated on disposal  | (2,010,511)               |
| At 31 October 2016      | <u>-</u>                  |
| <b>NET BOOK VALUE</b>   |                           |
| At 31 October 2016      | <u>-</u>                  |
| At 30 September 2015    | <u>1,800,816</u>          |

**10. PROPERTY, PLANT AND EQUIPMENT**

|                        | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Totals<br>£      |
|------------------------|---------------------------|-----------------------------|------------------|
| <b>COST</b>            |                           |                             |                  |
| At 1 October 2015      | 1,250,258                 | 754,875                     | 2,005,133        |
| Additions              | 1,785                     | 3,412                       | 5,197            |
| Disposals              | (1,252,043)               | (758,287)                   | (2,010,330)      |
| At 31 October 2016     | <u>-</u>                  | <u>-</u>                    | <u>-</u>         |
| <b>DEPRECIATION</b>    |                           |                             |                  |
| At 1 October 2015      | 248,409                   | 628,104                     | 876,513          |
| Charge for period      | 26,384                    | 60,439                      | 86,823           |
| Eliminated on disposal | (274,793)                 | (688,543)                   | (963,336)        |
| At 31 October 2016     | <u>-</u>                  | <u>-</u>                    | <u>-</u>         |
| <b>NET BOOK VALUE</b>  |                           |                             |                  |
| At 31 October 2016     | <u>-</u>                  | <u>-</u>                    | <u>-</u>         |
| At 30 September 2015   | <u>1,001,849</u>          | <u>126,771</u>              | <u>1,128,620</u> |

**AIAL Limited (Registered number: 03638326)**  
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**Alpha International Accommodation**  
**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**11. FIXED ASSET INVESTMENTS**

|                       | Shares in<br>group<br>undertakings<br>£ | Unlisted<br>investments<br>£ | Totals<br>£      |
|-----------------------|---|------------------------------|------------------|
| <b>COST</b>           |   |                              |                  |
| At 1 October 2015     | 350,101                                 | 5,000                        | 355,101          |
| Impairments           | <u>(350,101)</u>                        | <u>(5,000)</u>               | <u>(355,101)</u> |
| At 31 October 2016    | <u>-</u>                                | <u>-</u>                     | <u>-</u>         |
| <b>NET BOOK VALUE</b> |   |                              |                  |
| At 31 October 2016    | <u>-</u>                                | <u>-</u>                     | <u>-</u>         |
| At 30 September 2015  | <u>350,101</u>                          | <u>5,000</u>                 | <u>355,101</u>   |

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Vacenza.com Limited**

Nature of business: Dormant and dissolved

|                                | %       |          |                 |
|--------------------------------|---------|----------|-----------------|
| Class of shares:               | holding |          |                 |
| Ordinary                       | 100.00  |          |                 |
|                                |         | 2016     | 2015            |
|                                |         | £        | £               |
| Aggregate capital and reserves |         | -        | (743,302)       |
| Loss for the period/year       |         | <u>-</u> | <u>(51,491)</u> |

Vacenza.com Limited was dissolved on 24 October 2017.

**Aria Software Limited**

Nature of business: Dormant and dissolved

|                                | %       |          |              |
|--------------------------------|---------|----------|--------------|
| Class of shares:               | holding |          |              |
| Ordinary                       | 100.00  |          |              |
|                                |         | 2016     | 2015         |
|                                |         | £        | £            |
| Aggregate capital and reserves |         | -        | 130,128      |
| Loss for the period/year       |         | <u>-</u> | <u>(210)</u> |

Aria Software Limited was dissolved on 24 October 2017.

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**11. FIXED ASSET INVESTMENTS - continued**

**B2C Newco Limited formerly Alpha Holidays Limited**

Nature of business: Dormant and dissolved

|                                | %       |  |                  |              |
|--------------------------------|---------|--|------------------|--------------|
| Class of shares:               | holding |  | 2016             | 2015         |
| Ordinary                       | 100.00  |  | £                | £            |
| Aggregate capital and reserves |         |  | 1,935            | 191,689      |
| Loss for the period/year       |         |  | <u>(189,754)</u> | <u>(878)</u> |

B2C Newco Limited was dissolved on 19 December 2017.

**Holexa Limited**

Nature of business: Dormant and dissolved

|                                | %       |  |          |             |
|--------------------------------|---------|--|----------|-------------|
| Class of shares:               | holding |  | 2016     | 2015        |
| Ordinary                       | 100.00  |  | £        | £           |
| Aggregate capital and reserves |         |  | -        | 15,509      |
| Loss for the period/year       |         |  | <u>-</u> | <u>(72)</u> |

Holexa Limited was dissolved on 5 September 2017.

**Vacenza Aviation Limited**

Nature of business: Dormant and dissolved

|                                | %       |  |              |             |
|--------------------------------|---------|--|--------------|-------------|
| Class of shares:               | holding |  | 2016         | 2015        |
| Ordinary                       | 100.00  |  | £            | £           |
| Aggregate capital and reserves |         |  | 592          | 1,369       |
| Loss for the period/year       |         |  | <u>(777)</u> | <u>(10)</u> |

B2C Newco Limited (formerly Alpha Holidays Limited) owned 100% of the issued equity share capital of Vacenza Aviation Limited.

Vacenza Aviation Limited was dissolved on 12 December 2017.

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

**12. DEBTORS**

|   | 2016      | 2015       |
|---|-----------|------------|
|   | £         | £          |
| Amounts falling due within one year:              |           |            |
| Trade debtors                                     | -         | 12,284,668 |
| Amounts owed by group undertakings                | -         | 944,631    |
| Other debtors                                     | 282,576   | 1,190,704  |
| Tax   | 263,331   | -          |
| Deferred tax asset                                |           |            |
| Accelerated capital allowances                    | -         | 80,755     |
| Prepayments and accrued income                    | -         | 1,576,317  |
|   | 545,907   | 16,077,075 |
| <br>Amounts falling due after more than one year: |           |            |
| Other debtors                                     | 6,549,185 | -          |
| <br>Aggregate amounts                             | 7,095,092 | 16,077,075 |

Included in other debtors due after more than one year is £6,549,185 due to the company in relation to TOMS VAT paid to HM Revenue and Customs ("HMRC") as a result of VAT assessments raised by HMRC and other subsequent payments. The company is approaching the end of an ongoing dispute with HMRC before the First-tier Tribunal ("Tax Tribunal"). The director is of the opinion that the VAT amount paid is due back to the company. This amount is based on the full amount of VAT recoverable as per the assessments raised by HMRC together with a prudent estimated calculation of the amount of VAT recoverable on additional TOMS payments made subsequent to the assessment periods.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2016    | 2015       |
|------------------------------------|---------|------------|
|                                    | £       | £          |
| Trade creditors                    | -       | 27,404,879 |
| Amounts owed to group undertakings | -       | 320,205    |
| Corporation Tax                    | 6,440   | -          |
| Social security and other taxes    | -       | 100,130    |
| Other creditors                    | 10,296  | 48,163     |
| Accruals and deferred income       | 463,376 | 543,896    |
|                                    | 480,112 | 28,417,273 |

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

|                              | 2016      | 2015 |
|------------------------------|-----------|------|
|                              | £         | £    |
| Other creditors              | 6,549,185 | -    |
| Accruals and deferred income | 305,000   | -    |
|                              | 6,854,185 | -    |

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Notes to the Financial Statements - continued**  
**for the Period 1 October 2015 to 31 October 2016**

15. **FINANCIAL INSTRUMENTS**

As at the end of 31 October 2016 the company has committed to forward contracts with the value of Nil (2015 - £16,828,006).

16. **CALLED UP SHARE CAPITAL**

| <b>Group and company</b>            | <b>Nominal value</b> | <b>2016 Number</b> | <b>2016 £</b> | <b>2015 £</b> |
|-------------------------------------|----------------------|--------------------|---------------|---------------|
| Allotted, called up and fully paid: |                      |                    |               |               |
| Ordinary shares                     | £0.01 each           | 99,990             | -             | 1,000         |
| A Ordinary shares                   | £0.004 each          | 99,990             | 400           | -             |
| B Ordinary shares                   | £0.003 each          | 99,990             | 300           | -             |
| C Ordinary shares                   | £0.003 each          | 99,990             | 300           | -             |
| <b>Total</b>                        |                      |                    | <u>1,000</u>  | <u>1,000</u>  |

On 20 October 2016, as part of the restructure, the company's Ordinary shares were sub-divided into A, B and C Ordinary shares.

17. **RESERVES**

|                        | Retained earnings<br>£ | Share premium<br>£ | Capital redemption reserve<br>£ | Totals<br>£      |
|------------------------|------------------------|--------------------|---------------------------------|------------------|
| At 1 October 2015      | 1,145,161              | 269,889            | 111                             | 1,415,161        |
| Deficit for the period | (1,514,171)            |                    |                                 | (1,514,171)      |
| Dividends              | (130,900)              |                    |                                 | (130,900)        |
| At 31 October 2016     | <u>(499,910)</u>       | <u>269,889</u>     | <u>111</u>                      | <u>(229,910)</u> |

18. **CONTINGENT LIABILITIES**

At 31 October 2016, there were contingent liabilities outstanding in respect of counter indemnities and guarantees given by the company, in the normal course of business, to the company's bond insurance obligors in respect of ABTA Retail and other bonds relating to the company, Alpha Holidays Limited (formerly Vacenza.com Limited) and Vacenza Aviation Limited, amounting to £Nil (2015 - £802,306).

19. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the period ended 31 October 2016 and the year ended 30 September 2015:

|  | 2016<br>£     | 2015<br>£     |
|--|---------------|---------------|
| <b>J B Fry</b>                         |               |               |
| Balance outstanding at start of period | 10,068        | 10,893        |
| Amounts advanced                       | 12,071        | 15,983        |
| Amounts repaid                         | -             | (16,808)      |
| Balance outstanding at end of period   | <u>22,139</u> | <u>10,068</u> |

**AIAL Limited (Registered number: 03638326)  
previously known as  
Alpha International Accommodation  
Limited**

**Notes to the Financial Statements - continued  
for the Period 1 October 2015 to 31 October 2016**

**20. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is a director, J B Fry, by virtue of his ownership of the entire issued share capital of the company.

**AIAL Limited (Registered number: 03638326)**  
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**Limited**

**Reconciliation of Equity**  
**1 October 2014**  
**(Date of Transition to FRS 102)**

|  | <b>UK<br/>GAAP<br/>£</b> | <b>Effect of<br/>transition<br/>to FRS 102<br/>£</b> | <b>FRS 102<br/>£</b> |
|--|--------------------------|--|----------------------|
| <b>FIXED ASSETS</b>  |                          |  |                      |
| Intangible assets  | 1,513,539                | -  | 1,513,539            |
| Property, plant and equipment                                  | 1,185,205                | -  | 1,185,205            |
| Investments  | 355,101                  | -  | 355,101              |
|  | 3,053,845                | -  | 3,053,845            |
| <b>CURRENT ASSETS</b>  |                          |  |                      |
| Debtors  | 12,046,165               | -  | 12,046,165           |
| Prepayments and accrued income                                 | 982,979                  | -  | 982,979              |
| Cash at bank   | 12,238,067               | -  | 12,238,067           |
|  | 25,267,211               | -  | 25,267,211           |
| <b>CREDITORS</b>   |                          |  |                      |
| Amounts falling due within one year                            | (25,719,823)             | -  | (25,719,823)         |
| <b>NET CURRENT LIABILITIES</b>                                 | (452,612)                | -  | (452,612)            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   | 2,601,233                | -  | 2,601,233            |
| <b>PROVISIONS FOR LIABILITIES ACCRUALS AND DEFERRED INCOME</b> | 52,945                   | -  | 52,945               |
|  | (1,038,913)              | -  | (1,038,913)          |
| <b>NET ASSETS</b>  | 1,615,265                | -  | 1,615,265            |
| <b>CAPITAL AND RESERVES</b>                                    |                          |  |                      |
| Called up share capital  | 1,111                    | -  | 1,111                |
| Share premium  | 269,889                  | -  | 269,889              |
| Retained earnings  | 1,344,265                | -  | 1,344,265            |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 1,615,265                | -  | 1,615,265            |

The notes form part of these financial statements

**AIAL Limited (Registered number: 03638326)**  
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**Reconciliation of Equity - continued**  
**30 September 2015**

|  | <b>UK<br/>GAAP<br/>£</b> | <b>Effect of<br/>transition<br/>to FRS 102<br/>£</b> | <b>FRS 102<br/>£</b> |
|--|--------------------------|--|----------------------|
| <b>FIXED ASSETS</b>                              |                          |  |                      |
| Intangible assets                                | 1,800,816                | -  | 1,800,816            |
| Property, plant and equipment                    | 1,128,620                | -  | 1,128,620            |
| Investments                                      | 355,101                  | -  | 355,101              |
|  | <u>3,284,537</u>         | -  | <u>3,284,537</u>     |
| <b>CURRENT ASSETS</b>                            |                          |  |                      |
| Debtors  | 16,077,075               | -  | 16,077,075           |
| Cash at bank                                     | 10,471,822               | -  | 10,471,822           |
|  | <u>26,548,897</u>        | -  | <u>26,548,897</u>    |
| <b>CREDITORS</b>                                 |                          |  |                      |
| Amounts falling due within one year              | (28,417,273)             | -  | (28,417,273)         |
| <b>NET CURRENT LIABILITIES</b>                   | <u>(1,868,376)</u>       | -  | <u>(1,868,376)</u>   |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> | <u>1,416,161</u>         | -  | <u>1,416,161</u>     |
| <b>NET ASSETS</b>                                | <u>1,416,161</u>         | -  | <u>1,416,161</u>     |
| <b>CAPITAL AND RESERVES</b>                      |                          |  |                      |
| Called up share capital                          | 1,000                    | -  | 1,000                |
| Share premium                                    | 269,889                  | -  | 269,889              |
| Capital redemption reserve                       | 111                      | -  | 111                  |
| Retained earnings                                | 1,145,161                | -  | 1,145,161            |
| <b>SHAREHOLDERS' FUNDS</b>                       | <u>1,416,161</u>         | -  | <u>1,416,161</u>     |

The notes form part of these financial statements

**AIAL Limited (Registered number: 03638326)**  
**previously known as**  
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**Limited**

**Reconciliation of Profit**  
**for the Year Ended 30 September 2015**

|  | <b>UK<br/>GAAP<br/>£</b> | <b>Effect of<br/>transition<br/>to FRS 102<br/>£</b> | <b>FRS 102<br/>£</b> |
|--|--------------------------|--|----------------------|
| <b>REVENUE</b>   | 12,305,639               | -  | 12,305,639           |
| Administrative expenses                                | (12,465,473)             | -  | (12,465,473)         |
| <b>OPERATING LOSS</b>                                  | (159,834)                | -  | (159,834)            |
| Interest receivable and similar income                 | 33,040                   | -  | 33,040               |
| Interest payable and similar charges                   | (1,510)                  | -  | (1,510)              |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | (128,304)                | -  | (128,304)            |
| Tax on loss on ordinary activities                     | 222,750                  | -  | 222,750              |
| <b>PROFIT FOR THE FINANCIAL PERIOD</b>                 | 94,446                   | -  | 94,446               |

The notes form part of these financial statements

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