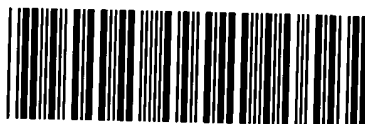


IONIAN ISLAND HOLIDAYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

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IONIAN ISLAND HOLIDAYS LIMITED

COMPANY INFORMATION

Directors	A Matsoukis D Patrikios
Registered number	04352657
Registered office	Olympia House Armitage Road London NW11 8RQ
Independent auditors	Elman Wall Limited Chartered Accountants & Statutory Auditor 8th Floor Becket House 36 Old Jewry London EC2R 8DD

IONIAN ISLAND HOLIDAYS LIMITED

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IONIAN ISLAND HOLIDAYS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

Introduction

The principal activity continues to be that of a licenced tour operator specialising exclusively to Greece. The company has been voted for the last six consecutive years in the prestigious British Travel Awards, as the "Best Specialist Tour Operator to Hellenic Europe". In 2015 & 2016 the company was also voted "Best Self Catering Holiday Booking Company" at the same awards.

Business review

During the year turnover increased from £11.7m last year year to £12m. Profits after tax increased from £590k to £638k in the same period.

On the tour operating side of the business, despite challenging circumstances primarily associated with negative media surrounding the refugee crisis and uncertainty surrounding Brexit the company performed well. Even though, there was a sharp decline in the Euro/ Sterling exchange rate the overall effect was mitigated as a substantial amount company's exchange requirements had been purchased in advance at favourable rates.

The increase in profits was primarily due to a small upturn in bookings which were particularly buoyant in August and September combined with economies derived from a rationalisation of the company's committed flying program. Despite the negative publicity, Greece remained a popular destination for many UK holiday makers indicating the resilience and appeal of the destination.

Looking forward on the tour operating side, confirmed bookings for the 2017 season are particularly strong compared to the same period last year. Flight commitments in early and late season have been reduced and the overall flight commitments have been rationalised. Fuel has been fixed for all committed flights and 30% of the company's currency requirements have been purchased in advance at favourable exchange rates.

Principal risks and uncertainties

The principal risks facing the Group continue to be currency fluctuations, political instability, airline failure, the effect of Brexit and force majeure.

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


D Patrikios
Director

Date: 31/1/17

IONIAN ISLAND HOLIDAYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

The Directors present their report and the financial statements for the year ended 31 October 2016.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Results and dividends

The profit for the year, after taxation, amounted to £638,474 (2015 - £590,040).

During the year dividends of £30,000 were paid (2015 - £150,000).

Directors

The Directors who served during the year were:

A Matsoukis
D Patrikios

Disclosure of information to auditors

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

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

IONIAN ISLAND HOLIDAYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

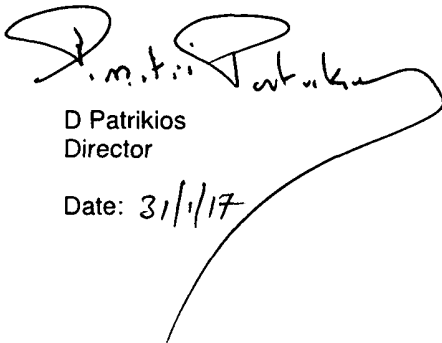
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Elman Wall Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



D Patrikios
Director
Date: 31/1/17

IONIAN ISLAND HOLIDAYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IONIAN ISLAND HOLIDAYS LIMITED

We have audited the financial statements of Ionian Island Holidays Limited for the year ended 31 October 2016, set out on pages 6 to 25. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

IONIAN ISLAND HOLIDAYS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IONIAN ISLAND HOLIDAYS LIMITED
(CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' report.

Matters on which we are required to report by exception

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

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

Elman Wall Limited

Yasin Khandwalla (Senior statutory auditor)

for and on behalf of
Elman Wall Limited

Chartered Accountants
Statutory Auditor

8th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

Date: 31/1/17

IONIAN ISLAND HOLIDAYS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Note	2016 £	2015 £
Turnover	3	12,040,093	11,694,063
Cost of sales		(10,296,924)	(10,032,932)
Gross profit		<u>1,743,169</u>	<u>1,661,131</u>
Administrative expenses		(954,553)	(945,864)
Operating profit	4	<u>788,616</u>	<u>715,267</u>
Interest receivable and similar income	8	<u>7,002</u>	<u>6,515</u>
Profit before tax		<u>795,618</u>	<u>721,782</u>
Tax on profit	9	(157,144)	(131,742)
Profit for the year		<u><u>638,474</u></u>	<u><u>590,040</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

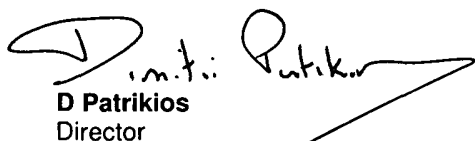
There was no other comprehensive income for 2016 (2015:£NIL).

IONIAN ISLAND HOLIDAYS LIMITED
REGISTERED NUMBER: 04352657

BALANCE SHEET
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	38,043	41,704
Investments	12	2,000	135,245
		<u>40,043</u>	<u>176,949</u>
Current assets			
Debtors: amounts falling due within one year	13	2,407,383	2,087,343
Cash at bank and in hand	14	2,839,180	1,931,175
		<u>5,246,563</u>	<u>4,018,518</u>
Creditors: amounts falling due within one year	15	(2,738,311)	(2,254,476)
Net current assets		<u>2,508,252</u>	<u>1,764,042</u>
Total assets less current liabilities		<u>2,548,295</u>	<u>1,940,991</u>
Provisions for liabilities			
Deferred tax	17	(4,849)	(6,019)
		<u>(4,849)</u>	<u>(6,019)</u>
Net assets		<u><u>2,543,446</u></u>	<u><u>1,934,972</u></u>
Capital and reserves			
Called up share capital	18	66,667	66,667
Capital redemption reserve	19	33,333	33,333
Profit and loss account	19	2,443,446	1,834,972
		<u><u>2,543,446</u></u>	<u><u>1,934,972</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


D Patrikios
 Director

Date: 31/1/17

The notes on pages 11 to 25 form part of these financial statements.

IONIAN ISLAND HOLIDAYS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2015	66,667	33,333	1,834,972	1,934,972
Comprehensive income for the year				
Profit for the year	-	-	638,474	638,474
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	638,474	638,474
Dividends: Equity capital	-	-	(30,000)	(30,000)
Total transactions with owners	-	-	(30,000)	(30,000)
At 31 October 2016	66,667	33,333	2,443,446	2,543,446

IONIAN ISLAND HOLIDAYS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2015**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2014	66,667	33,333	1,394,932	1,494,932
Comprehensive income for the year				
Profit for the year	-	-	590,040	590,040
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	590,040	590,040
Dividends: Equity capital	-	-	(150,000)	(150,000)
Total transactions with owners	-	-	(150,000)	(150,000)
At 31 October 2015	66,667	33,333	1,834,972	1,934,972

The notes on pages 11 to 25 form part of these financial statements.

IONIAN ISLAND HOLIDAYS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	638,474	590,040
Adjustments for:		
Depreciation of tangible assets	24,996	19,482
Interest received	(7,002)	(6,515)
Taxation charge	157,144	131,742
Decrease in debtors	33,490	22,947
(Increase) in amounts owed by groups	(240,195)	(186,569)
Increase in creditors	358,905	9,179
(Decrease)/increase in amounts owed to groups	(50,000)	133,549
Corporation tax (paid)	(126,718)	(7,929)
Net cash generated from operating activities	789,094	705,926
Cash flows from investing activities		
Purchase of tangible fixed assets	(21,336)	(34,806)
Sale of listed investments	133,245	-
Interest received	7,002	6,515
Net cash from investing activities	118,911	(28,291)
Cash flows from financing activities		
Dividends paid	-	(150,000)
Net cash used in financing activities	-	(150,000)
Net increase in cash and cash equivalents	908,005	527,635
Cash and cash equivalents at beginning of year	1,931,175	1,403,540
Cash and cash equivalents at the end of year	2,839,180	1,931,175
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,839,180	1,931,175
	2,839,180	1,931,175

IONIAN ISLAND HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

General

Ionian Island Holidays Limited is a private company limited by shares incorporated in England. The address of the registered office is given in the company information page of these financial statements.

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

1. Accounting policies

1.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 24.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue and expenses relating to tours are taken to the profit and loss account on date of departure.

1.3 Cash flow statement

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent company's financial statements, includes the Company's cash flows.

1.4 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. Accounting policies (continued)**1.4 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Fixtures and fittings	- 33% straight line
-----------------------	---------------------

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

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

1.5 Valuation of investments

Investments held as fixed assets are shown at cost less provision for impairment.

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.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. Accounting policies (continued)

1.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

1.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.8 Operating leases: the Company as lessee

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 November 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. Accounting policies (continued)**1.9 Pensions*****Defined contribution pension plan***

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

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

1.10 Interest income

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

1.11 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

IONIAN ISLAND HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1. Accounting policies (continued)

1.12 Current and deferred taxation

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

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

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

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

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

1.13 Advanced receipts and payments

All revenue relating to tours with departure dates after the year end are treated as advance receipts at the balance sheet date and are separately disclosed under other creditors. Payments made to suppliers in respect of these tours are included in prepayments.

1.14 Employer-Financed Retirement Benefit Scheme (EFRBS)

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust of accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

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

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

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

Critical judgements

The directors are of the view that there are no further critical judgements (apart from those involving estimates) in applying their accounting policies that have had a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

The directors are of the view that there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3. Turnover

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

	2016 £	2015 £
Turnover	12,040,093	11,694,063
	<u>12,040,093</u>	<u>11,694,063</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	12,040,093	11,694,063
	<u>12,040,093</u>	<u>11,694,063</u>

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	24,996	19,482
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,088	10,064
Exchange differences	(12,955)	(7,269)
Other operating lease rentals	33,011	36,000
Defined contribution pension cost	9,425	8,712
	<u> </u>	<u> </u>

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>11,088</u>	<u>10,064</u>

6. Employees

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

	2016 £	2015 £
Wages and salaries	441,589	410,792
Cost of defined contribution scheme	9,425	8,712
	<u>451,014</u>	<u>419,504</u>

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

	2016 No.	2015 No.
Directors	2	2
Staff	10	10
	<u>12</u>	<u>12</u>

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	81,572	94,062
Company contributions to defined contribution pension schemes	2,400	2,400
	<u>83,972</u>	<u>96,462</u>

During the year retirement benefits were accruing to 2 Directors (2015 - 2) in respect of defined contribution pension schemes.

8. Interest receivable

	2016 £	2015 £
Other interest receivable	7,002	6,515
	<u>7,002</u>	<u>6,515</u>

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	159,763	126,719
Adjustments in respect of previous periods	(1,449)	1,449
	<u>158,314</u>	<u>128,168</u>
Total current tax	<u>158,314</u>	<u>128,168</u>
Deferred tax		
Origination and reversal of timing differences	(1,170)	3,574
Total deferred tax	<u>(1,170)</u>	<u>3,574</u>
Taxation on profit on ordinary activities	<u>157,144</u>	<u>131,742</u>

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

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

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	795,618	721,782
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.41%)	159,124	147,342
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	3,574
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	325	387
Capital allowances for year in excess of depreciation	-	(3,649)
Adjustments to tax charge in respect of prior periods	(1,449)	1,449
Other differences leading to an increase (decrease) in the tax charge	(856)	-
Group relief	-	(17,361)
Total tax charge for the year	157,144	131,742

10. Dividends

	2016 £	2015 £
IIH Holdings Limited	30,000	150,000
	<u>30,000</u>	<u>150,000</u>

At the year end dividends amounting to £30,000 (2015: £150,000) were payable to IIH Holdings Limited.

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

11. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 November 2015	110,376
Additions	21,336
At 31 October 2016	<u>131,712</u>
Depreciation	
At 1 November 2015	68,672
Charge for the period on owned assets	24,996
At 31 October 2016	<u>93,668</u>
Net book value	
At 31 October 2016	<u>38,044</u>
At 31 October 2015	<u>41,704</u>

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

12. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 November 2015	2,000	133,245	135,245
Disposals	-	(133,245)	(133,245)
At 31 October 2016	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net book value			
At 31 October 2016	<u>2,000</u>	<u>-</u>	<u>2,000</u>
At 31 October 2015	<u>2,000</u>	<u>133,245</u>	<u>135,245</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Ionian Islands (Flights) Limited	Ordinary	100 %	Acting as a broker in supplying air tickets to group companies.

The aggregate of the share capital and reserves as at 31 October 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Ionian Islands (Flights) Limited	509,392
	<u>509,392</u>

Listed investments

The fair value of the listed investments at 31 October 2016 was £NIL (2015 - £120,903).

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

13. Debtors

	2016 £	2015 £
Trade debtors	20,662	53,702
Amounts owed by group undertakings	2,062,230	1,822,035
Other debtors	18,901	39,526
Prepayments and accrued income	192,256	172,080
Tax recoverable	113,334	-
	<u>2,407,383</u>	<u>2,087,343</u>

Other debtors include advanced payments to suppliers for future travel amounting to £134,007 (2015: £96,508).

14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	2,839,180	1,931,175
	<u>2,839,180</u>	<u>1,931,175</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,340,604	954,614
Amounts owed to group undertakings	639,392	659,392
Corporation tax	271,649	126,719
Other taxation and social security	28,379	(10,614)
Other creditors	132,239	314,112
Accruals and deferred income	326,048	210,253
	<u>2,738,311</u>	<u>2,254,476</u>

Other creditors include advanced receipts from customers for future travel amounting to £300,562 (2015: £187,863).

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,839,180	1,931,175
Financial assets that are debt instruments measured at amortised cost	2,101,792	1,915,263
	<u>4,940,972</u>	<u>3,846,438</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,137,153)	(1,949,940)
	<u>(2,137,153)</u>	<u>(1,949,940)</u>

17. Deferred taxation

	2016 £
At beginning of year	(6,019)
Charged to profit or loss	1,170
At end of year	<u>(4,849)</u>

The provision for deferred taxation is made up as follows:

2016 £
(4,849)
<u>(4,849)</u>

18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
66,667 Ordinary shares of £1 each	<u>66,667</u>	<u>66,667</u>

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. Reserves**Capital redemption reserve**

The capital redemption reserve is non-distributable reserve into which amounts are transferred following the redemption or purchase of the company's own shares.

Profit and loss account

Profit and loss includes all current and prior periods retained profit.

20. Contingent liabilities

During the year the company received an Advance Payment Notice amounting to £113,334, which has been provided for in these financial statement. The directors are of the opinion that this amount will be recovered upon settlement of the EFRBS Scheme by HMRC. Subject to HMRCs decision, the company could be liable to this amount.

21. Commitments under operating leases

At 31 October 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	36,000	36,000
Later than 1 year and not later than 5 years	144,000	144,000
Later than 5 years	144,000	180,000
	<u>324,000</u>	<u>360,000</u>

22. Related party transactions

D Patrikios own stow properties which were used in the group trading operations. During the year, the company paid D Patrikios £48,990 (2015: £41,007), for the use of these properties.

During the year, the company purchased flights amounting to £5,541,639 (2015: £5,839,779) and charged a management fee of £937,250 (2015: £926,880) to Ionian (Flights) Limited, a fully owned subsidiary of Ionian Island Holidays Limited. At the year end £396,111 (2015: £464,523) was owed to Ionian Island (Flights) Limited.

During the year the company leased premises from Ionian Island Properties for an annual rental and service charges of £45,010 (2015: £54,417), at the balance sheet date £1,948,949 (2015: £1,777,166) was owed from the company.

IONIAN ISLAND HOLIDAYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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23. Controlling party

The immediate parent company is IIH Holdings Limited, a company registered in England and Wales, by virtue of it acquiring 100% of the share capital.

The ultimate controlling parties are A Matsoukis and D Patrikios.

24. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.