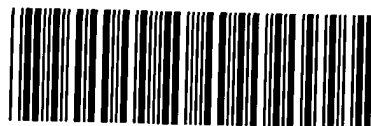


**IONIAN ISLAND HOLIDAYS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2017**

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**COMPANY INFORMATION**

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

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**Introduction**

The principal activity of the Company continues to be that of a licenced tour operator specialising exclusively to Greece. The company has been voted for the last seven consecutive years in the prestigious British Travel Awards, as the "Best Specialist Tour Operator to Hellenic Europe."

**Business review**

During the year turnover increased from £12m last year to £13.3m. Profits after tax increased from £638k to £891k in the same period.

On the tour operating side, the business performed extremely well. This was despite challenging circumstances primarily associated with Brexit and adverse exchange rates. 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 requirement had been hedged at favourable rates. The increase in profits was primarily due to a small surge in bookings after the General Election. Furthermore, during 2017 there was far less adverse publicity regarding the economic situation in Greece, with the economy there now having stabilised. Greece remains a popular destination for many UK holiday makers indicating the resilience and appeal of the destination.

Looking forward to the year ahead, confirmed bookings for the 2018 season are particularly strong compared to the same period last year. The company continues to use multiple airlines to reduce the risk of airline failure. 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 hedged at favourable exchange rates.

The Company feels that it is well positioned to tackle the year ahead.

**Principal risks and uncertainties**

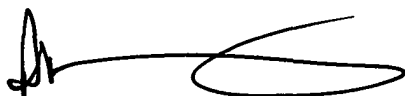
The principal risks facing the Company continue to be currency fluctuations, political instability, airline failure, the effect of Brexit and force majeure.

**Our Key Performance Indicator (KPI's) are as follows:**

- Quality of our villas
- Gross profit margins
- Carried passenger numbers

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

**D Patrikios**  
Director



Date: 22/1/18

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## **IONIAN ISLAND HOLIDAYS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2017**

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The Directors present their report and the financial statements for the year ended 31 October 2017.

#### **Directors' responsibilities statement**

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

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

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

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

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £891,924 (2016 - £638,474).

During the year dividends of £150,000 were paid (2016 - £30,000).

#### **Directors**

The Directors who served during the year were:

A Matsoukis  
D Patrikios

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**Disclosure of information to auditors**

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

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

**Post balance sheet events**

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

**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: 22/1/18

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**IONIAN ISLAND HOLIDAYS LIMITED**

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

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**Opinion**

We have audited the financial statements of Ionian Island Holidays Limited (the 'Company') for the year ended 31 October 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

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

**Basis for opinion**

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

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**IONIAN ISLAND HOLIDAYS LIMITED**

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

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.



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**IONIAN ISLAND HOLIDAYS LIMITED**

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

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

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**IONIAN ISLAND HOLIDAYS LIMITED**

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

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**Responsibilities of directors**

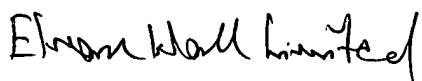
As explained more fully in the Directors' responsibilities statement on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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



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: 22/1/18.

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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	Note	2017 £	2016 £
Turnover	3	13,349,678	12,040,093
Cost of sales		(11,145,938)	(10,296,924)
<b>Gross profit</b>		<u>2,203,740</u>	<u>1,743,169</u>
Administrative expenses		(1,098,302)	(954,553)
<b>Operating profit</b>	4	<u>1,105,438</u>	<u>788,616</u>
Interest receivable and similar income	8	1,907	7,002
<b>Profit before tax</b>		<u>1,107,345</u>	<u>795,618</u>
Tax on profit	9	(215,421)	(157,144)
<b>Profit for the year</b>		<u><u>891,924</u></u>	<u><u>638,474</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 12 to 25 form part of these financial statements.

**IONIAN ISLAND HOLIDAYS LIMITED**  
**REGISTERED NUMBER: 04352657**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	47,093	38,044
Investments	12	2,000	2,000
		<u>49,093</u>	<u>40,044</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	2,846,893	2,407,382
Cash at bank and in hand	14	3,568,674	2,839,180
		<u>6,415,567</u>	<u>5,246,562</u>
Creditors: amounts falling due within one year	15	(3,176,020)	(2,738,311)
<b>Net current assets</b>		<u>3,239,547</u>	<u>2,508,251</u>
<b>Total assets less current liabilities</b>		<u>3,288,640</u>	<u>2,548,295</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	(3,270)	(4,849)
		<u>(3,270)</u>	<u>(4,849)</u>
<b>Net assets</b>		<u><u>3,285,370</u></u>	<u><u>2,543,446</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	66,667	66,667
Capital redemption reserve	19	33,333	33,333
Profit and loss account	19	3,185,370	2,443,446
		<u><u>3,285,370</u></u>	<u><u>2,543,446</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: 22/1/18

The notes on pages 12 to 25 form part of these financial statements.

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2016	66,667	33,333	2,443,446	2,543,446
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	891,924	891,924
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	891,924	891,924
Dividends: Equity capital	-	-	(150,000)	(150,000)
<b>Total transactions with owners</b>	-	-	(150,000)	(150,000)
<b>At 31 October 2017</b>	<b>66,667</b>	<b>33,333</b>	<b>3,185,370</b>	<b>3,285,370</b>

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**IONIAN ISLAND HOLIDAYS LIMITED**

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

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	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
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	638,474	638,474
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	638,474	638,474
Dividends: Equity capital	-	-	(30,000)	(30,000)
<b>Total transactions with owners</b>	-	-	(30,000)	(30,000)
<b>At 31 October 2016</b>	<b>66,667</b>	<b>33,333</b>	<b>2,443,446</b>	<b>2,543,446</b>

The notes on pages 12 to 25 form part of these financial statements.

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## IONIAN ISLAND HOLIDAYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

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#### 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

##### 1.2 Consolidated financial statements

The company is a wholly owned subsidiary of IIH Holdings Limited. It is included within the consolidated financial statements of IIH Holdings which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

*These financial statements are the company's separate financial statements.*

##### 1.3 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.

##### 1.4 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**1. Accounting policies (continued)**

**1.5 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.

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.

**1.6 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.

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 2017**

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**1. Accounting policies (continued)**

**1.7 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.

**1.8 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.

**1.9 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.

**1.10 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.

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## IONIAN ISLAND HOLIDAYS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

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#### 1. Accounting policies (continued)

##### 1.11 Interest income

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

##### 1.12 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.

##### 1.13 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**1. Accounting policies (continued)**

**1.14 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 accruals and deferred income.

Payments made to suppliers in respect of these tours are included in prepayments.

**1.15 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.

**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.

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**3. Turnover**

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

	2017 £	2016 £
Travel related	13,349,678	12,040,093
	<u>13,349,678</u>	<u>12,040,093</u>

All turnover arose within the United Kingdom.

**4. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	19,510	24,996
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,250	11,088
Exchange differences	2,118	(12,955)
Other operating lease rentals	55,439	45,010
Defined contribution pension cost	<u>29,672</u>	<u>9,425</u>

**5. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>12,250</u>	<u>11,088</u>

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**6. Employees**

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

	2017 £	2016 £
Wages and salaries	527,326	441,589
Cost of defined contribution scheme	29,672	9,425
	<u>556,998</u>	<u>451,014</u>

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

	2017 No.	2016 No.
Directors	2	2
Staff	10	10
	<u>12</u>	<u>12</u>

**7. Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	100,800	81,572
Company contributions to defined contribution pension schemes	22,400	2,400
	<u>123,200</u>	<u>83,972</u>

During the year retirement benefits were accruing to 2 Directors (2016 - 2) in respect of defined contribution pension schemes.

**8. Interest receivable**

	2017 £	2016 £
Other interest receivable	1,907	7,002
	<u>1,907</u>	<u>7,002</u>

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	217,000	159,763
Adjustments in respect of previous periods	-	(1,449)
	<u>217,000</u>	<u>158,314</u>
<b>Total current tax</b>	<u>217,000</u>	<u>158,314</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,579)	(1,170)
<b>Total deferred tax</b>	<u>(1,579)</u>	<u>(1,170)</u>
<b>Taxation on profit on ordinary activities</b>	<u>215,421</u>	<u>157,144</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.41% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>1,107,345</u>	<u>795,618</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.41% (2016 - 20%)	214,977	159,124
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	219	325
Adjustments to tax charge in respect of prior periods	-	(1,449)
Other differences leading to an increase (decrease) in the tax charge	225	(856)
<b>Total tax charge for the year</b>	<u>215,421</u>	<u>157,144</u>

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**10. Dividends**

	2017 £	2016 £
IIH Holdings Limited	150,000	30,000
	<u>150,000</u>	<u>30,000</u>

At the year end dividends amounting to £150,000 (2016: £30,000) were payable to IIH Holdings Limited.

**11. Tangible fixed assets**

	Fixtures and fittings £
<b>Cost or valuation</b>	
At 1 November 2016	131,712
Additions	28,559
At 31 October 2017	<u>160,271</u>
<b>Depreciation</b>	
At 1 November 2016	93,668
Charge for the year on owned assets	19,510
At 31 October 2017	<u>113,178</u>
<b>Net book value</b>	
At 31 October 2017	<u>47,093</u>
At 31 October 2016	<u>38,044</u>

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**12. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 November 2016	2,000
At 31 October 2017	<u>2,000</u>
<b>Net book value</b>	
At 31 October 2017	<u>2,000</u>
At 31 October 2016	<u>2,000</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 Ionian Island Holdings Limited.

The aggregate of the share capital and reserves as at 31 October 2017 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>



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**13. Debtors**

	2017 £	2016 £
Trade debtors	-	20,661
Amounts owed by group undertakings	2,220,114	2,062,230
Other debtors	-	18,901
Prepayments and accrued income	543,479	192,256
Tax recoverable	83,300	113,334
	<u>2,846,893</u>	<u>2,407,382</u>

Prepayments and accrued income include advance payments to suppliers for future travel amounting to £543,476 (2016: £192,256).

**14. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	3,568,674	2,839,180
	<u>3,568,674</u>	<u>2,839,180</u>

**15. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	1,411,342	1,340,604
Amounts owed to group undertakings	687,392	639,392
Corporation tax	211,461	271,649
Other taxation and social security	46,777	28,379
Other creditors	151,271	132,239
Accruals and deferred income	667,777	326,048
	<u>3,176,020</u>	<u>2,738,311</u>

Accruals and deferred income include advanced receipts from customers for future travel amounting to £373,642 (2016: £300,562).

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**IONIAN ISLAND HOLIDAYS LIMITED**

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**16. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	3,568,674	2,839,180
Financial assets that are debt instruments measured at amortised cost	2,220,114	2,101,792
	<u>5,788,788</u>	<u>4,940,972</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(2,544,139)	(2,137,153)
	<u>(2,544,139)</u>	<u>(2,137,153)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, amounts owed to group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

**17. Deferred taxation**

	2017 £
At beginning of year	(4,849)
Charged to profit or loss	1,579
<b>At end of year</b>	<u>(3,270)</u>

The provision for deferred taxation is made up as follows:

	2017 £
Fixed asset timing differences	(3,270)
	<u>(3,270)</u>

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**18. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
66,667 Ordinary shares of £1 each	66,667	66,667

**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**

The Company has appointed assets to an Employer-Financed Retirement Benefit Scheme. The Company was liable for PAYE/NICs that arose on awards made by the Trustees.

During the year the Company paid an amount of £113,334 following receipt of an Advance Payment Notice (APN) from HMRC. It is recognised that the APN payments do not necessarily reflect amounts payable to HMRC if the EFRBS planning was to be settled, but that currently there is no specific indication from HMRC that additional amounts fall due.

Whilst the directors consider that the PAYE and employees NIC element of the APN is recoverable, there is a greater likelihood that the employers NIC will not be recoverable. In such circumstances this element has been charged to the profit and loss account in the current year.

The Company currently holds an Air Travel Organisers' License ('ATOL') issued by the Civil Aviation Authority ('CAA') and is currently a member of the Association of British Travel Agents Limited ('ABTA').

As at 31 October 2017, there were no contingent liabilities in place in the normal course of business.

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**21. Commitments under operating leases**

At 31 October 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	34,722	36,000
Later than 1 year and not later than 5 years	104,166	144,000
Later than 5 years	138,888	144,000
	<u>277,776</u>	<u>324,000</u>

**22. Related party transactions**

D Patrikios own properties which were used in the year for trading operations. During the year, the company paid D Patrikios £48,990 (2016: £48,990), for the use of these properties.

The Company has taken advantage of the exemption to disclose related party transactions with companies that are wholly owned within the Group.

**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.