

Registered number: 07581191

Holiday Extras Investments Limited

Annual report and financial statements

For the Year Ended 31 March 2017

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Holiday Extras Investments Limited

Company Information

Directors A M M Parker (appointed 13 December 2017)
S P Hagger
D T Kelly
S D Lawrence
C A Pack
G N Pack
J C Pack
M G Pack
M W Smith
D R Walter

Company secretary A M M Parker

Registered number 07581191

Registered office Ashford Road
Newingreen
Hythe
Kent
CT21 4JF

Independent auditors Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers The Royal Bank of Scotland plc
2nd Floor, Turnpike House
123 High Street
Crawley
West Sussex
RH10 1DQ

Barclays Bank plc
66 High Street
Ashford
Kent
TN24 8TL

Holiday Extras Investments Limited

Contents

	Page
Group strategic report	1 - 2
Directors' report	3 - 6
Independent auditors' report	7 - 8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10 - 11
Company balance sheet	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated Statement of cash flows	15 - 16
Notes to the financial statements	17 - 43

Holiday Extras Investments Limited

Group strategic report For the Year Ended 31 March 2017

Introduction

The directors present their Strategic report together with the audited financial statements.

Business review

The results for the group show an increase in EBITDA to £10,082,000 (2016: £9,153,000). The profit before tax was £2,717,000 (2016 loss: £995,000). Revenue increased to £304,370,000 (2016: £273,559,000). The group has net assets of £17,812,000 (2016: £19,393,000). Net cash inflows for 2016/17 were £6,409,000 (2016: £7,729,000). During the year, Holiday Extras Investments Limited paid a dividend of £2,863,787 to the shareholders of the company.

The group's principal trading subsidiary Holiday Extras Limited operates in the UK travel and leisure market selling ancillary travel services mainly to outbound travellers and selling packages to customers taking UK based short stay breaks. The company has seen strong growth whilst continuing to invest in it's senior team.

The group's German subsidiary continues to show steady growth with continued investment to exploit the European opportunities around parking and holiday ancillary products. The Group's car parking operations produced strong results aided by a significant increase in passengers flying out of the UK and the strong position Holiday Extras occupies in the market.

Continued strong cash flow generation together with support from the group's bankers gives the Board confidence of the group's ability to meet all operational cash flow needs.

Principal risks and uncertainties

The group has identified a number of principal risks and uncertainties that could potentially damage the current business model and future growth opportunities:

- Downturn in the UK and European economies leading to a reduction in demand for our products and services.
- Any significant damage to reputation or brands.
- Loss of, or difficulty in replacing, senior talent.
- Natural catastrophe including closure of airspace.
- Disruption to information technology systems or infrastructure, premises or business processes.

The group has developed risk management and contingency planning procedures appropriate for the business so as to mitigate these risks.

Holiday Extras Investments Limited

Group strategic report (continued) For the Year Ended 31 March 2017

Financial key performance indicators

A key performance measure for the group is earnings before interest, tax, depreciation and amortisation (EBITDA). The group's EBITDA for the year from continuing operations was as follows:

	2016/17 £000	2015/16 £000
Operating profit	4,007	4,088
Fair value movements	-	(666)
Amortisation	4,007	3,585
Depreciation	2,068	2,146
EBITDA	10,082	9,153


The directors of the group manage the group's operations on a segmental basis. For this reason, the directors believe that analysis using key performance indicators for the group as a whole is not necessary or appropriate for an understanding of the development, performance or position of the business.

During the year, an average of 943 (2016: 862) full-time and part-time staff were employed by the group, generating an average turnover of £323,000 each (2016: £317,000).

Future developments

The group has continued to invest for growth by expanding its senior team to help deliver key strategic initiatives and to look for new land opportunities to expand its car parking operations.

This report was approved by the board on 13 December 2017 and signed on its behalf.



M.G Pack
Director

Holiday Extras Investments Limited

Directors' report For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group'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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The group's principal activities are that of the selling and marketing across Europe of travel-related services that are required in addition to a holiday or flight. The group also distributed short break leisure packages, operates off airport car parking facilities and owns a property portfolio.

Results and Dividends

The performance of the group is set out in the enclosed financial statements and a review of the results is set out in the strategic report.

During the year, Holiday Extras Investments Limited paid a dividend of £2,863,787 to the shareholders of the company.

Holiday Extras Investments Limited

Directors' report (continued) For the Year Ended 31 March 2017

Directors

The directors who served during the year were:

C M Beare (resigned 13 April 2017)
S P Hagger
D T Kelly
S D Lawrence
C A Pack
G N Pack
J C Pack
M G Pack
M W Smith
D R Walter

Environmental matters

The group takes seriously its responsibility to the environment, and is committed to minimising its impact on the environment.

This is apparent in the construction of the group's headquarters. Built on a brown-field site, the offices have been constructed with water recycling systems and high-efficiency plant in order to minimise the long-term environmental impact of the building. A tree planting programme has helped enhance the buildings visual impact.

However, the directors judge that the provision of detailed information on such matters is not necessary in order to gain an understanding of the business, so no detailed disclosures regarding environmental performance have been provided.

Financial instruments

The group finances its operation through various financial instruments comprising: bank balances, trade debtors and trade creditors.

Due to the nature of the financial instruments used by the group during the year there is no exposure to price risk.

The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

The group ensures its liquidity is maintained by entering into long and short term financial instruments to support operational and other funding requirements. The group's liquidity management process includes projecting cashflows and considering the level of liquid assets.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Although a proportion of the group's revenue is earned outside of the UK, subsidiaries generally only trade in their own currency. The group is therefore not subject to any significant foreign exchange transactional exposure. The group's principal exposure to foreign currency, therefore, lies in the translation of overseas profits and losses into Sterling.

Holiday Extras Investments Limited

Directors' report (continued) For the Year Ended 31 March 2017

Employee involvement

The group prides itself on recognising the value of its people and invests in training and development, the working environment and a fun culture to ensure that staff remain skilled, motivated and engaged.

Employees across the group are involved in generating the group's value statement, which underpin its culture, performance management and rewards.

A reflection of the above is that a wholly owned subsidiary, Holiday Extras Limited, has been included on The Sunday Times 100 Best Companies to Work For list for the 11th time and this year was awarded a Wellbeing award that recognises the company's focus on health, home and community. In addition the company has been accredited by Investors in People and recognised as one of the leading companies in delivering a work life balance.

The group communicates and consults with all employees via regular business briefings, staff forum and its Intranet.

Employment policies

The group's employment policies have been designed to guarantee that everyone is treated in a fair and consistent manner. They have been developed to ensure that everyone is aware of what is expected of him or her and what the employer offers in return.

The group is an equal opportunities employer and is committed to achieving and maintaining a workforce which is representative of the local community in terms of race, colour, nationality, sex, age, sexual orientation, marital status and disability.

In the event of existing staff members becoming disabled, every effort is made to enable them to maintain their present position or to provide appropriate training and employ them in suitable work within another department.

Matters covered in the strategic report

Disclosures in respect of future developments have been included as part of the strategic report.

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 and the group'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 and the group's auditors are aware of that information.

Post balance sheet events

Since the year end the group has made further acquisitions to enhance its existing technology platforms and drive technological advancement in travel along with expanding the suite of services provided by the group.

On 23 October 2017 Holiday Extras Investments Limited acquired the entire share capital of a leading provider of parking booking systems, The Chantry Corporation Limited, for total consideration of £2,842,000 (including all deferred elements).

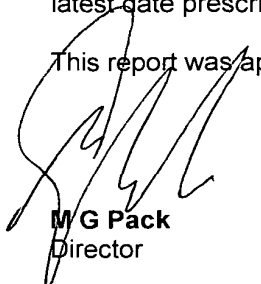
Holiday Extras Investments Limited

Directors' report (continued) For the Year Ended 31 March 2017

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 13 December 2017 and signed on its behalf.



M G Pack
Director

Holiday Extras Investments Limited

Independent auditors' report to the shareholders of Holiday Extras Investments Limited

We have audited the financial statements of Holiday Extras Investments Limited for the year ended 31 March 2017, set out on pages 9 to 43. The relevant financial reporting framework that has been applied in their preparation is applicable law 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 3, 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 Auditing Practices Board'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 group's and the parent 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 Group 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 group's and the parent company's affairs as at 31 March 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Holiday Extras Investments Limited

Independent auditors' report to the shareholders of Holiday Extras Investments Limited (continued)

Matters on which we are required to report by exception

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.

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

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor

Chartered Accountants

Canterbury

14 December 2017

Holiday Extras Investments Limited

Consolidated statement of comprehensive income For the Year Ended 31 March 2017

	Note	2017 £000	2016 £000
Turnover	4	304,370	273,559
Cost of sales		(246,870)	(225,496)
Gross profit		57,500	48,063
Administrative expenses		(54,302)	(45,253)
Other operating income	5	809	612
Fair value movements		-	666
Operating profit	6	4,007	4,088
Share of loss of joint venture		(661)	(764)
Share of loss of associates		(173)	-
Total operating profit before exceptional item		3,173	3,324
Exceptional items	14	(585)	(3,781)
Profit/(loss) on ordinary activities before interest		2,588	(457)
Profit/(loss) on movement in share of joint venture		187	(319)
Interest receivable and similar income	10	92	32
Interest payable and expenses	11	(150)	(251)
Profit/(loss) before taxation		2,717	(995)
Tax on profit/(loss)	12	(1,470)	(1,418)
Profit/(loss) for the financial year		1,247	(2,413)
Other comprehensive income			
Movement on foreign exchange		36	15
Other comprehensive income for the year		36	15
Total comprehensive income for the year		1,283	(2,398)

The notes on pages 17 to 43 form part of these financial statements.

Holiday Extras Investments Limited
Registered number: 07581191

Consolidated balance sheet
As at 31 March 2017

	Note	2017 £000	2016 as restated £000
Fixed assets			
Intangible assets	16	29,116	30,619
Tangible assets	17	21,962	22,289
Investments	18	2,146	2,318
Investment property	19	13,917	13,917
		<u>67,141</u>	<u>69,143</u>
Current assets			
Stocks	20	22	3
Debtors	21	9,093	7,653
Cash at bank and in hand	22	34,959	28,550
		<u>44,074</u>	<u>36,206</u>
Creditors: amounts falling due within one year	23	(33,698)	(34,172)
Net current assets		<u>10,376</u>	<u>2,034</u>
Total assets less current liabilities		<u>77,517</u>	<u>71,177</u>
Creditors: amounts falling due after more than one year	24	(137)	(225)
Provisions for liabilities			
Deferred taxation	27	(2,827)	(3,080)
		<u>(2,827)</u>	<u>(3,080)</u>
Accruals and deferred income	28	(56,741)	(48,479)
Net assets		<u>17,812</u>	<u>19,393</u>
Capital and reserves			
Called up share capital	29	600	600
Share premium account	30	52	52
Capital redemption reserve	30	4	4
Foreign exchange reserve	30	52	16
Merger reserve	30	20,875	20,875
Profit and loss account	30	(3,771)	(2,154)
Equity attributable to owners of the parent company		<u>17,812</u>	<u>19,393</u>

Holiday Extras Investments Limited
Registered number: 07581191

Consolidated balance sheet (continued)
As at 31 March 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2017.



M G Pack
Director



A M M Parker
Director

The notes on pages 17 to 43 form part of these financial statements.

Holiday Extras Investments Limited
Registered number: 07581191

Company balance sheet
As at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	18	<u>62,117</u>	<u>60,218</u>
		62,117	60,218
Current assets			
Debtors	21	25,117	24,377
Cash at bank and in hand	22	<u>160</u>	<u>3,215</u>
		25,277	27,592
Creditors: amounts falling due within one year	23	<u>(52,426)</u>	<u>(55,515)</u>
Net current liabilities		(27,149)	(27,923)
Total assets less current liabilities		34,968	32,295
Net assets		<u>34,968</u>	<u>32,295</u>
Capital and reserves			
Called up share capital	29	600	600
Share premium account	30	52	52
Capital redemption reserve	30	4	4
Other reserves	30	33,202	33,202
Profit and loss account	30	<u>1,110</u>	<u>(1,563)</u>
		34,968	32,295

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2017.


M G Pack
 Director


A M M Parker
 Director

The notes on pages 17 to 43 form part of these financial statements.

Holiday Extras Investments Limited

**Consolidated statement of changes in equity
For the Year Ended 31 March 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2016	600	52	4	16	20,875	(2,154)	19,393
Profit for the year	-	-	-	-	-	1,247	1,247
Movement on foreign exchange	-	-	-	36	-	-	36
Dividends: Equity capital	-	-	-	-	-	(2,864)	(2,864)
At 31 March 2017	600	52	4	52	20,875	(3,771)	17,812

**Consolidated statement of changes in equity
For the Year Ended 31 March 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2015	600	-	-	1	20,875	479	21,955
Loss for the year	-	-	-	-	-	(2,413)	(2,413)
Movement on foreign exchange	-	-	-	15	-	-	15
Purchase of own shares	-	-	4	-	-	(220)	(216)
Shares issued during the year	4	52	-	-	-	-	56
Shares redeemed during the year	(4)	-	-	-	-	-	(4)
At 31 March 2016	600	52	4	16	20,875	(2,154)	19,393

The notes on pages 17 to 43 form part of these financial statements.

Holiday Extras Investments Limited

**Company statement of changes in equity
For the Year Ended 31 March 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2016	600	52	4	33,202	(1,563)	32,295
Profit for the year	-	-	-	-	5,537	5,537
Dividends: Equity capital	-	-	-	-	(2,864)	(2,864)
At 31 March 2017	600	52	4	33,202	1,110	34,968

**Company statement of changes in equity
For the Year Ended 31 March 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2015	600	-	-	33,202	4,993	38,795
Loss for the year	-	-	-	-	(6,336)	(6,336)
Purchase of own shares	-	-	4	-	(220)	(216)
Shares issued during the year	4	52	-	-	-	56
Shares redeemed during the year	(4)	-	-	-	-	(4)
At 31 March 2016	600	52	4	33,202	(1,563)	32,295

The notes on pages 17 to 43 form part of these financial statements.

Holiday Extras Investments Limited

Consolidated statement of cash flows For the Year Ended 31 March 2017

	2017 £000	2016 as restated £000
Cash flows from operating activities		
Profit/(loss) for the financial year	1,247	(2,413)
Adjustments for:		
Amortisation of intangible assets	4,007	3,585
Depreciation of tangible assets	2,068	2,146
Profit on disposal of tangible assets	(27)	(24)
Government grants	(4)	(4)
Interest paid	150	251
Interest received	(92)	(32)
Taxation charge	1,470	1,418
(Increase)/decrease in stocks	(19)	11
(Increase) in debtors	(1,790)	(196)
Increase in creditors	7,961	7,984
Fair value movements	-	(666)
Share of operating loss in joint ventures	661	764
Share of operating loss in associates	173	-
(Profit)/loss on movement in share of joint venture	(187)	319
Corporation tax (paid)	(1,556)	(1,461)
Net cash generated from operating activities	14,062	11,682
Cash flows from investing activities		
Expenditure on intangible fixed assets	(2,474)	-
Purchase of tangible fixed assets	(1,777)	(3,344)
Sale of tangible fixed assets	79	91
Purchase of share in joint ventures	(475)	(625)
Interest received	92	32
Net cash from investing activities	(4,555)	(3,846)
Cash flows from financing activities		
Purchase of ordinary shares	-	(165)
Repayment of/new finance leases	(84)	309
Dividends paid	(2,864)	-
Interest paid	(150)	(251)
Net cash used in financing activities	(3,098)	(107)

Holiday Extras Investments Limited

Consolidated statement of cash flows (continued)
For the Year Ended 31 March 2017

	2017 £000	2016 £000
Net increase in cash and cash equivalents	6,409	7,729
Cash and cash equivalents at beginning of year	28,550	20,821
Cash and cash equivalents at the end of year	34,959	28,550
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	34,959	28,550
	34,959	28,550

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

1. General information

Holiday Extras Investments Limited is a limited liability company incorporated in England and Wales. The address of the registered office is Ashford Road, Newingreen, Hythe, Kent, CT21 4JF.

The principal activities of the group are that of the selling and marketing across Europe of travel-related services that are required in addition to a holiday or flight. The group also distributed short break leisure packages, operates off airport car parking facilities and owns a property portfolio.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The group's functional and presentational currency is Pounds Sterling.

The group's financial statements are presented to the nearest £'000.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The group is required to prepare accounts under merger accounting principles as a result of a past group reconstruction. Under the principles of merger accounting, the accounts combine the results of the subsidiaries adjusted as necessary to achieve uniformity of accounting principles.

Therefore, the group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

For acquisitions subsequent to the group reorganisation, the consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.3 Recognition of income

Turnover represents revenue due from normal activities of the business to the extent that the seller obtains a right to consideration in exchange for its performance of those activities, exclusive of VAT.

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a suitable allowance to recognise the uncertainties remaining in the completion of the obligations. Contingent income is recognised only when the contingent element is assured.

Income is recognised as follows:

(a) Sale of hotel accommodation, airport parking and other travel related products

Credit is taken to the statement of comprehensive income for stay dates commencing during the accounting period.

(b) Travel insurance

Credit is taken to the statement of comprehensive income for the commission arising on insurance policies returned to the group during the accounting period.

2.4 Gross profit on trading activities

(a) Value added tax

Where appropriate VAT on trading activities is accounted for under the Tour Operators' Margin Scheme. VAT payable under the scheme is included in cost of sales.

(b) Commissions due to agents

Commissions payable to agents on business executed in the year are included in cost of sales.

Turnover is therefore shown gross without deduction for relevant commissions.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life of 5-20 years.

Other intangible assets

Other intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Software	-	25 % straight line
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Software costs have been reclassified to intangible fixed assets from tangible fixed assets in both the current and prior periods. This change in accounting policy provides reliable and more relevant information since it separately identifies software from other fixed assets giving the users of the financial statements access to more accurate information.

The net book value of software reclassified from tangible fixed assets at 1 April 2016 is £2,728,000.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Deemed cost represents the fair value of certain of the company's leasehold properties at the company's date of transition to FRS 102, 1 April 2014. Under the cost model, leasehold property will not be subject to any further revaluations.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.6 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:

Freehold land	- 0%
Freehold property	- 2 - 5% straight line
Operational leasehold land	- Over the remainder of the lease term
Leasehold improvements	- 10 - 25% straight line
Motor vehicles	- 25% straight line
Furniture, fittings and equipment	- 20% - 25% straight line
Computer hardware	- 25% - 50% 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 consolidated statement of comprehensive income.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the consolidated statement of comprehensive income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.10 Associates and joint ventures

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associate where the group has significant influence and that the entity is neither a subsidiary nor an interest in a joint venture.

The group's investments in joint ventures and associates are stated at the share of net assets acquired plus associated goodwill. The group's share of the profits or losses of the joint ventures and associates are included in the profit and loss account using the equity accounting basis. Goodwill on investments in joint ventures and associates is the difference between the fair value of net assets acquired and the fair value of consideration given.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost represents the purchase price plus attributable expenditure.

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

2.12 Debtors

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

2.13 Cash and cash equivalents

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

In the Consolidated 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 group's cash management.

2.14 Financial instruments

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

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

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.15 Creditors

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

2.16 Government grants

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

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

2.17 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Pounds Sterling.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.18 Finance costs

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

2.19 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.

**Notes to the financial statements
For the Year Ended 31 March 2017**

2. Accounting policies (continued)

2.20 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated 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.

2.21 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated 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 group in independently administered funds.

2.22 Interest income

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

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the group 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 consolidated statement of comprehensive income in the year that the group 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.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.24 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated 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 and the group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.25 Exceptional items

Exceptional items represents items of a material nature requiring separate disclosure in the consolidated statement of comprehensive income. Materiality for exceptional items is determined by reference to its size or nature, or a combination of both.

2.26 Research and development

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

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

**Notes to the financial statements
For the Year Ended 31 March 2017**

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Lease commitments

The group has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the directors to consider whether the terms and conditions of each lease are such that the company has acquired the risks and rewards associated with the ownership of the underlying assets.

Goodwill and intangible assets

The group has recognised goodwill and other intangible assets arising from business combinations and other intangible assets that are internally generated with a carrying value of £29,116,000 (2016: £30,619,000) at the reporting date (see note 16). On acquisition the group determines a reliable estimate of the useful life of goodwill and intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

The classification of intangible assets requires the directors to consider whether the assets meet the recognition criteria in accordance with FRS102.

Tangible fixed assets

The group has recognised tangible fixed assets with a carrying value of £21,962,000 (2016: £22,286,000) at the reporting date (see note 17). These assets are stated at their cost less provision for depreciation and impairment. The group's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the company determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the group undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less the incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the group's forecasts for the foreseeable future which do not include any restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

3. Judgments in applying accounting policies (continued)

Joint Venture and associate

The group held 50% of the voting rights of its joint arrangement. The group had joint control over this arrangement as under the contractual agreements, unanimous consent was required from all parties to the agreements for all relevant activities until 23 December 2016 when control was reduced to significant influence.

The group's joint venture was structured as a limited company and provided the group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement was classified as a joint venture of the group until 23 December 2016.

Since this date, management has assessed the level of influence that the group has on the arrangement and has determined that it has significant influence due to its shareholding and contractual terms. Consequently, this investment has been classified as an associate.

Investment properties

The group holds investment property with a fair value of £13,917,000 at the year end (see note 19). The directors' judgement on the fair value of investment property at 31 March 2017 has been informed by independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Taxation

Provision has been made in the financial statements for deferred tax amounting to £2,827,000 at the reporting date (see note 27). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

4. Turnover

The whole of the turnover and profit before taxation from continuing activities is attributable to the selling and marketing across Europe of travel-related services that are required in addition to a holiday or flight and the operation of off airport car parking facilities.

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	291,991	262,837
Rest of Europe	12,379	10,721
	<u>304,370</u>	<u>273,558</u>

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

5. Other operating income

	2017 £000	2016 £000
Other operating income	218	369
Net rents receivable	88	79
Government grants receivable	4	4
Sundry income	499	160
	<u>809</u>	<u>612</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 as restated £000
Depreciation of tangible fixed assets	2,068	2,146
Amortisation of intangible assets, including goodwill	4,007	3,585
Profit on disposal of fixed assets	(27)	(24)
Exchange differences	231	281
Operating lease rentals	2,838	2,958
Defined contribution pension cost	617	568
	<u>617</u>	<u>568</u>

7. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	7	7
Fees payable to the group's auditor and its associates in respect of:		
The auditing of accounts of associates of the group pursuant to legislation	110	103
All taxation advisory services not included above	30	27
All other non-audit services not included above	22	40
	<u>22</u>	<u>40</u>

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

8. Employees

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

	2017 £000	2016 £000
Wages and salaries	24,124	21,235
Social security costs	2,609	2,145
Cost of defined contribution scheme	617	568
	<u>27,350</u>	<u>23,948</u>

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

	2017 No.	2016 No.
Office administration, sales and marketing staff	<u>943</u>	<u>862</u>

9. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	1,065	1,027
Company contributions to defined contribution pension schemes	31	73
	<u>1,096</u>	<u>1,100</u>

During the year retirement benefits were accruing to 4 directors (2016 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £306,000 (2016 - £301,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,000 (2016 - £24,000).

10. Interest receivable

	2017 £000	2016 £000
Other interest receivable	92	32
	<u>92</u>	<u>32</u>

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

11. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	139	234
Other loan interest payable	11	17
	<u>150</u>	<u>251</u>

12. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	1,949	1,664
Adjustments in respect of previous periods	(226)	-
	<u>1,723</u>	<u>1,664</u>
Total current tax	<u>1,723</u>	<u>1,664</u>
Deferred tax		
Origination and reversal of timing differences	(149)	72
Changes to tax rates	(104)	(318)
Total deferred tax	<u>(253)</u>	<u>(246)</u>
Taxation on profit on ordinary activities	<u>1,470</u>	<u>1,418</u>

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2017 £000	2016 £000
Profit/(loss) on ordinary activities before tax	2,717	(995)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	543	(199)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	302	302
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	225	865
Depreciation in excess of capital allowances	418	391
Utilisation of tax losses	-	(4)
Adjustments to tax charge in respect of prior periods	(226)	-
Non-taxable fair value adjustments	-	(133)
Capital losses	(102)	(246)
Share of joint venture/associate loss	154	204
Effect of consortium relief	-	(11)
Entities not subject to UK Corporation taxation	249	249
Adjust deferred tax to average rate	(93)	-
Total tax charge for the year	1,470	1,418

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2017 £000	2016 £000
Dividends paid on equity capital	2,864	-
	2,864	-

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

14. Exceptional items

	2017 £000	2016 £000
Strategic planning	585	-
EBT Conditional gift	-	3,781
	<u>585</u>	<u>3,781</u>

Strategic planning

During the year, the group incurred costs of £585,000 in relation to strategic planning, merger and acquisition and corporate finance advisory assistance.

EBT Conditional gift

During the prior year, the group made a conditional gift of £3,781,000 to the Holiday Extras Investment Benefit Trust (EBT). The terms of the agreement provide for repayment of the gift under specific circumstances which are considered remote.

Taxation relief will be obtained for the conditional gift when the benefits are distributed from the Employee Benefit Trust.

15. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £5,537,000 (2016 - loss £6,337,000).

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

16. Intangible assets

Group

	Holding company goodwill £000	Subsidiary company goodwill £000	Software £000	Total £000
Cost				
At 1 April 2016 (as previously stated)	29,316	12,436	-	41,752
Prior Year Adjustment - (note 2.5)	-	-	11,139	11,139
At 1 April 2016 (as restated)	29,316	12,436	11,139	52,891
Additions	-	252	2,222	2,474
Foreign exchange movement	-	-	69	69
At 31 March 2017	29,316	12,688	13,430	55,434
Amortisation				
At 1 April 2016 (as previously stated)	7,314	6,547	-	13,861
Prior Year Adjustment - (note 2.5)	-	-	8,411	8,411
At 1 April 2016 (as restated)	7,314	6,547	8,411	22,272
Charge for the year	1,460	1,048	1,499	4,007
Foreign exchange movement	-	-	39	39
At 31 March 2017	8,774	7,595	9,949	26,318
Net book value				
At 31 March 2017	20,542	5,093	3,481	29,116
At 31 March 2016 (as restated)	22,002	5,889	2,728	30,619

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

17. Tangible fixed assets

Group

	Freehold and leasehold land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 April 2016 (as previously stated)	26,559	18,799	1,131	46,489
Prior Year Adjustment - (note 2.5)	-	(11,139)	-	(11,139)
At 1 April 2016 (as restated)	26,559	7,660	1,131	35,350
Additions	505	598	673	1,776
Disposals	-	(108)	(141)	(249)
Exchange adjustments	-	50	-	50
At 31 March 2017	27,064	8,200	1,663	36,927
Depreciation				
At 1 April 2016 (as previously stated)	6,735	14,295	445	21,475
Prior Year Adjustment - (note 2.5)	-	(8,411)	-	(8,411)
At 1 April 2016 (as restated)	6,735	5,884	445	13,064
Charge for the year on owned assets	1,022	829	159	2,010
Charge for the year on financed assets	-	-	58	58
Disposals	-	(89)	(108)	(197)
Exchange adjustments	-	30	-	30
At 31 March 2017	7,757	6,654	554	14,965
Net book value				
At 31 March 2017	19,307	1,546	1,109	21,962
At 31 March 2016 (as restated)	19,824	1,776	686	22,286

Included in freehold land and buildings is an amount of £482,000 (2016: £482,000) attributable to land on which no depreciation has been charged.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

17. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 £000	2016 £000
Freehold	6,132	5,875
Long leasehold	13,175	13,949
	19,307	19,824

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £000	2016 £000
Motor vehicles	310	368
	310	368

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

18. Fixed asset investments

Group

	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 1 April 2016	-	2,412	2,412
Additions	-	475	475
Movement on disposals	-	187	187
Transfer	2,460	(2,460)	-
Share of profit/(loss)	(157)	(614)	(771)
At 31 March 2017	2,303	-	2,303
Impairment			
At 1 April 2016	-	94	94
Charge for the period	16	47	63
Transfer	141	(141)	-
At 31 March 2017	157	-	157
Net book value			
At 31 March 2017	2,146	-	2,146
At 31 March 2016	-	2,318	2,318

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

18. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Holiday Extras Limited	Ordinary	100 %	Travel related services
Holiday Extras Transport Limited	Ordinary	100 %	Travel related services
Holiday Extras GmbH	Ordinary	100 %	Travel related services
Gesellschaft Fur Touristische Dienstleistungen GmbH	Ordinary	100 %	Travel related services
HX Properties Limited	Ordinary	100 %	Ownership of trading property
Holiday Extras Properties Limited	Ordinary	100 %	Ownership of trading property
ABC Holdings Limited	Ordinary	100 %	Non-trading
Apple Barn Services Limited	Ordinary	100 %	Non-trading
Apple Barn Properties Limited	Ordinary	100 %	Ownership of trading property
Airparks Services Limited	Ordinary	100 %	Provision of off site airport parking facilities
Airparks Services (Birmingham) Limited	Ordinary	100 %	Provision of off site airport parking facilities
Parking for Flying Limited	Ordinary	100 %	Non trading
Think W3 Limited	Ordinary	100 %	Non trading
Essential Travel Limited	Ordinary	100 %	Travel related services
Essential Extras Limited	Ordinary	100 %	Non trading
Park at the Airport Limited	Ordinary	100 %	Non trading
Park IT Solutions Limited	Ordinary	100 %	Design, development and distribution of parking logistics software
ABC Holiday Extras Limited	Ordinary	100 %	Dormant
ABC Holiday Plus Limited	Ordinary	100 %	Dormant
ABC Sure Limited	Ordinary	100 %	Dormant
Airparks Services (East Midlands) Limited	Ordinary	100 %	Dormant
Apple Booking Company Limited	Ordinary	100 %	Dormant
BCP Parking Limited	Ordinary	100 %	Dormant
HEHA Limited	Ordinary	100 %	Dormant
Holiday Xtras Limited	Ordinary	100 %	Dormant

The registered office of all the above companies is Ashford Road, Newingreen, Hythe, Kent, CT21 4JF with the exception of the following:

Name	Registered office
Holiday Extras GmbH	Aidenbachstraße 52, 81379 München, Germany
Gesellschaft Fur Touristische Dienstleistungen GmbH	Augustenstraße 10, 80333 München, Germany
Airparks Services Limited	100 Mackadown Lane, Birmingham, B33 0JD
Park IT Solutions Limited	100 Mackadown Lane, Birmingham, B33 0JD
BCP Parking Limited	Grove Road, Slip End, Luton, LU1 4BZ

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

18. Fixed asset investments (continued)

Participating interests

Associates

Name	Registered office	Class of shares	Holding	Principal activity
miDrive Limited	Ashford Road, Newingreen, Hythe, Kent, CT21 4JF	Ordinary	43.5%	Web based learner driver service provider

miDrive Limited was a joint venture until 23 December 2016 when control was reduced to significant influence and is now recognised as an associate.

Company

	Investments in subsidiary companies £000	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation				
At 1 April 2016	59,152	-	3,325	62,477
Additions	1,424	-	475	1,899
Transfer	-	3,800	(3,800)	-
At 31 March 2017	60,576	3,800	-	64,376
Impairment				
At 1 April 2016	2,259	-	-	2,259
At 31 March 2017	2,259	-	-	2,259
Net book value				
At 31 March 2017	58,317	3,800	-	62,117
At 31 March 2016	56,893	-	3,325	60,218

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

19. Investment property

Group

	Investment property £000
Valuation	
At 1 April 2016	13,917
At 31 March 2017	13,917

The group's freehold investment property has been valued at the year end by the directors at fair value.

20. Stocks

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Fuel stocks	22	3	-	-
	22	3	-	-

21. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Due within one year				
Trade debtors	2,467	1,117	-	-
Amounts owed by group undertakings	-	-	23,553	22,315
Other debtors	1,731	2,235	1,193	1,764
Prepayments and accrued income	4,895	4,301	371	298
	9,093	7,653	25,117	24,377

22. Cash and cash equivalents

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Cash at bank and in hand	34,959	28,550	160	3,215
	34,959	28,550	160	3,215

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

23. Creditors: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade creditors	25,999	26,881	368	306
Amounts owed to group undertakings	-	-	51,740	54,692
Corporation tax	466	652	-	353
Other taxation and social security	3,276	3,477	-	-
Obligations under finance lease and hire purchase contracts	87	84	-	-
Other creditors	597	572	-	-
Accruals and deferred income	3,273	2,506	318	164
	33,698	34,172	52,426	55,515

24. Creditors: Amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Net obligations under finance leases and hire purchase contracts	137	225	-	-
	137	225	-	-

25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £000	Group 2016 £000
Within one year	87	84
Between 1-2 years	91	87
Between 2-5 years	46	138
	224	309

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

26. Financial instruments

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	3,849	2,716	24,746	24,079
	3,849	2,716	24,746	24,079
Financial liabilities				
Financial liabilities measured at amortised cost	(29,886)	(30,039)	(52,426)	(55,162)
	(29,886)	(30,039)	(52,426)	(55,162)

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

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, net obligations under finance leases and hire purchase contracts, other creditors and accruals.

27. Deferred taxation

Group

	2017 £000	2016 £000
At beginning of year	(3,080)	(3,325)
Credited to the profit or loss	253	245
At end of year	(2,827)	(3,080)

The provision for deferred taxation is made up as follows:

	Group 2017 £000	Group 2016 £000
Accelerated capital allowances	(966)	(1,002)
On capital gain/(loss) on revaluation	(1,878)	(2,095)
Other timing differences	17	17
	(2,827)	(3,080)

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

28. Accruals and deferred income

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Deferred income	56,601	48,335	-	-
Grants	140	144	-	-
	56,741	48,479	-	-

Deferred income comprises cash received in respect of bookings where stay date falls after the balance sheet date.

29. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
6,000,000 Ordinary shares of £0.10 each	600	600

30. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Foreign exchange reserve

This reserve comprises translation differences arising from the translation of financial statements of the group's foreign entities into sterling.

Other reserves

Other reserves in the group is comprised of a permanent contribution to the Employee Benefit Trust and a merger reserve as a result of a past group reconstruction which was recognised in accordance with the Companies Act 2006.

Other reserves in the company represents a merger relief reserve in accordance with the Companies Act 2008.

Profit & loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

31. Capital commitments

At 31 March 2017 the group and company had capital commitments as follows:

	Group 2017 £000
Contracted for but not provided in these financial statements	730
	730

32. Pension commitments

The group makes payments into the following defined contribution schemes:-

a) personal pension schemes in respect of directors. Contributions amounted to £31,000 (2016: £73,000) during the year under review.

b) a group personal pension plan in respect of certain other employees. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost included in these financial statements in respect of this scheme is £586,000 (2016: £495,000).

Unpaid contributions at 31 March 2017 amounted to £96,000 (2016: £84,000).

33. Commitments under operating leases

At 31 March 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	Group 2016 £000
Not later than 1 year	1,680	3,795
Later than 1 year and not later than 5 years	6,269	7,163
Later than 5 years	17,337	17,740
	25,286	28,698

34. Related party transactions

During the year, Holiday Extras Investments Limited invested £475,000 in return for a further 872 shares in miDrive Limited, an associated company.

Key Management Personnel

Total remuneration in respect of key management personnel is comprised of directors remuneration totalling £1,096,000 (2016: £1,100,000) and employers national insurance contributions of £136,000 (2016: £81,000).

Holiday Extras Investments Limited

Notes to the financial statements For the Year Ended 31 March 2017

35. Employee benefit trust

The "Holiday Extras Investments Benefit Trust" was established to ensure that all employees within the group benefited from the continued development of the business and to provide a market for those shares held by employees leaving the employment of the group.

It is a Discretionary Trust, with an independent trustee, Estera Trust (Jersey) Limited and is currently funded by advances from the group.

The costs of administering the Employee Benefit Trust are charged to the profit and loss account as incurred.

As at 31 March 2017, the trust holds 1,609,194 (2016: 1,639,140) ordinary £0.10 shares in Holiday Extras Investments Limited.

Certain staff have been granted share options totalling 192,500 (2016: 162,500) from the Employee Benefit Trust over ordinary shares of £0.10 each in Holiday Extras Investments Limited.

No share options have lapsed in the year. None of the share options have been exercised.

During the year ended 31 March 2017 the group has made no advances (2016: £2,387,000) and received repayments of £219,000 (2016: £991,000). During the prior year the group made a conditional gift of £3,781,000 to the Employee Benefit Trust, which was recognised as an exceptional item (see note 14)

The balance due from the Employee Benefit Trust at 31 March 2017 was £1,193,000 (2016: £1,411,000).

36. Post balance sheet events

On 23 October 2017 Holiday Extras Investments Limited acquired the entire share capital of a leading provider of parking booking systems, The Chantry Corporation Limited, for total consideration of £2,842,000 (including all deferred elements).

37. Controlling party

The company is controlled by G Pack, C Pack, M Pack and J Pack, directors of the company, by virtue of their combined shareholding.