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**SUNWAY TRAVEL (COACHING) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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## SUNWAY TRAVEL (COACHING) LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	I D Henry K Henry A Oldfield C G Plummer L Race
<b>Company secretary</b>	A Oldfield
<b>Registered number</b>	02115045
<b>Registered office</b>	Sunway House Canklow Meadows Rotherham South Yorkshire S60 2XR
<b>Independent auditors</b>	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 5
<b>Independent Auditors' Report</b>	6 - 9
<b>Statement of Comprehensive Income</b>	10
<b>Balance Sheet</b>	11
<b>Statement of Changes in Equity</b>	12
<b>Analysis of Net Debt</b>	13
<b>Notes to the Financial Statements</b>	14 - 32

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## SUNWAY TRAVEL (COACHING) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Introduction

The directors present their strategic report for the period ended 31 December 2019.

#### Business review

The Company is required by the Companies Act 2006 to set out in this report, a fair review of the business of the Company during the financial period ended 31 December 2019, the position of the Company at the end of the period and a description of the principal risks and uncertainties facing the Company. This review is prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed, and the business review should not be relied upon by any other party or for any other purpose.

The directors consider the results to be satisfactory given the challenges presented by the continuing economic uncertainty caused by Brexit, significant corporate failures within the travel industry and other difficult trading conditions. The Company has also reacted quickly to the COVID-19 pandemic by cutting costs where possible and positioning itself to be at the forefront of the industry when consumer demand picks up again.

The key performance indicators used by the directors to monitor the progress of the Company are set out below:-

	2019	As restated 2018
	£	£
<b>Key performance indicators</b>		
Turnover	35,352,914	36,082,619
Gross profit	12,329,775	12,394,294
Gross profit as a percentage of turnover	34.88%	34.35%
Profit on ordinary activities before taxation	1,334,738	3,629,583
Profit on ordinary activities as a percentage of turnover	3.78%	10.06%

#### Principal risks and uncertainties

The following risk factors may affect the Company's operating results and its financial position. The risk factors described below are those which the directors believe are potentially significant but should not be regarded as a complete and comprehensive statement of all potential risk and uncertainties facing the Company. The directors do not feel that the risks in 2020 will be much different to those that were prevalent in 2019, subject of course to the significant ongoing uncertainty surrounding the COVID-19 pandemic.

**Regulatory risks** - The Company, through its subsidiaries, is exposed to various regulators, including the Civil Aviation Authority ("CAA") which issues an Air Travel Organisers Licence ("ATOL") and is required in order for the Group to operate. This licence is renewed in September each year and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA website ([www.caa.co.uk](http://www.caa.co.uk)).

**Competition** - The Company operates in a highly competitive market featuring innovation in the travel products and the methods by which it is marketed, as well as price pressures. The Company seeks to constantly invest in its brand to increase public awareness as well as offer a wide selection of products from a wide range of suppliers at competitive prices to maintain its market position. The Company also monitors competitor activity closely.

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## SUNWAY TRAVEL (COACHING) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Principal risks and uncertainties (continued)

Foreign exchange - The Company is exposed to foreign exchange rate risk when it purchases overseas holiday services in currencies other than British Pounds. Monetary assets and liabilities are translated at the exchange rate prevailing at the statement of financial position date. All exchange gains and losses so arising are taken to the income statement. The Company hedges this risk and where not hedged, the Company bears the risk associated with such foreign exchange movements.

Commercial relationships - The Company has well established and close relationships with customers and suppliers and risk is spread by not placing over-reliance on any one supplier in any particular area. However, if a relationship were lost or damaged with a major supplier this could have a detrimental effect on the business. The management team meets regularly with suppliers to maintain good working relationships and to understand the supplier's financial position.

Information technology - The Company is heavily reliant on the uninterrupted operation of its IT systems and website. These systems are vulnerable to power loss, fire, computer viruses and other events. Loss of these systems would impair the ability of the Company to carry on its business effectively. The Company has made arrangements to mitigate this risk.

Finance - The Company finances its operations through retained profits. The Company's exposure to interest rate fluctuations on its cash deposits are managed by using short term, fixed and floating deposits.

Economic uncertainty - The demand for holidays is affected by local economic conditions. The uncertainty created by the COVID-19 pandemic along with Brexit, and the ensuing volatility in exchange rates and consumer confidence creates a fragile trading environment. Despite the negative impact upon the travel industry, the directors believe that the Company is able to quickly adapt to changes in the local market demand, however a prolonged period of booking slowdown could adversely affect financial results.

Geo-political events and natural disasters - The nature of the business exposes the Company to various commercial risks which may affect the trading performance of the Company. These include:

- acts of terrorism, particularly in key tourist destinations
- epidemics in key tourist destinations which threaten the health of tourists
- wars or other international uncertainty which affects air travel
- natural disasters in key tourist destinations
- weather conditions, both in the UK and key tourist destinations
- changes in customer behaviour and preferences
- increase in government taxes

These factors may affect the Company by causing potential customers to cancel or postpone travel plans, reducing the earnings potential of the Company. The Company seeks to minimise such risks by offering products in a wide range of destinations.

This report was approved by the board on 25 August 2020 and signed on its behalf.

**A Oldfield**  
Director

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## SUNWAY TRAVEL (COACHING) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### 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.

The directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

#### Principal activity

The principal activity for the year continued to be that of a specialist holiday tour operator and wholesaler.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,107,411 (2018 - £3,164,889).

No interim dividends were paid during the year ended 31 December 2019.

The directors do not recommend a final dividend for the year, making the total distribution of dividends for the year ended 31 December 2019 £Nil (2018 - £3,000,000).

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## SUNWAY TRAVEL (COACHING) LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Directors

The directors who served during the year were:

I D Henry  
K Henry  
A Oldfield  
C G Plummer  
L Race

#### Future developments

During 2020, the Company will continue to focus on providing domestic and overseas holidays to a variety of European and Worldwide destinations.

#### Research and development activities

The Company's growth requires investment in cutting edge technology and the ability to deliver fast, innovative and effective search results for consumers in a market that has seen significant technological advances in recent years. During the year the Company continued to make significant investment into software development.

#### Engagement with employees

The Company has a culture of continuous improvement through investment in people at all levels within the Company, looking to encourage and develop all members of staff to realise their full potential. Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created.

The Company is committed to pursuing equality and diversity in all of its employment activities including recruitment, training, career development and promotion and ensuring there is no bias or discrimination in the treatment of employees.

Employees are consulted regularly about changes which may affect them through regular meetings and communications, which are used to ensure that employees are kept up to date with the business performance of their employer and the financial and economic factors affecting the performance of the Company.

#### Matters covered in the strategic report

The directors have chosen, in line with the Companies Act 2006, to show the review of the business (including events since the date of the statement of financial position) and the principal risks and uncertainties in the Strategic Report to the financial statements.

#### 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.

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Post balance sheet events**

There have been no significant events affecting the Company since the year end, except for the outbreak of the Coronavirus pandemic, which has had a significant impact upon the industry in which the Company operates, as described in note 2.2.

On 25 June 2020, the Company acquired the Shearings brand and will look to integrate this into its business model.

**Auditors**

The auditors, White Hart Associates (London) Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 August 2020 and signed on its behalf.

**A Oldfield**

Director



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY TRAVEL (COACHING) LIMITED**

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**Opinion**

We have audited the financial statements of Sunway Travel (Coaching) Limited (the 'Company') for the year ended 31 December 2019, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

**The impact of uncertainties due to the COVID-19 pandemic and Britain exiting the European Union on our audit**

Uncertainties related to the effects of the COVID-19 pandemic and Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, intangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and Company's future prospects and performance.

The COVID-19 pandemic has had an unprecedented impact upon the worldwide economy and in particular upon the travel industry, with many consumers cancelling or delaying travel plans as a result. At the date of this report, the full range of possible effects upon travel companies cannot be estimated or assessed due to the current levels of uncertainty around government and consumer responses to what might happen. We have applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit is able, or should be expected, to predict unknowable factors or all possible future implications for a company and this is particularly the case in relation to the COVID-19 pandemic.

Brexit was also one of the most significant economic events for the UK, and at the date of this report its effects are still subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company or group and this is particularly the case in relation to Brexit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY TRAVEL (COACHING) LIMITED (CONTINUED)

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**Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.2 to the financial statements concerning the Company's ability to continue as a going concern.

As explained in note 2.2, the current COVID-19 pandemic has had an unprecedented impact upon the global economy and especially upon the travel industry. This has led many consumers to hold off on booking new holidays or cancel existing holidays until the global situation stabilises, resulting in greatly reduced cash flows for travel companies. These problematic trading conditions have negatively impacted the Company's trade as well as its immediate and projected cash flows.

In the event that the COVID-19 pandemic worsens for a prolonged period of time, there would be significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

**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.

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## SUNWAY TRAVEL (COACHING) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY TRAVEL (COACHING) LIMITED (CONTINUED)

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#### 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.

#### Responsibilities of directors

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, 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.

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY TRAVEL (COACHING) LIMITED (CONTINUED)**

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**Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

M S Caldicott ACA FCCA CTA (Senior Statutory Auditor)

for and on behalf of

**White Hart Associates (London) Limited**

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House

2 Lower Mortlake Road

Richmond

TW9 2JA

25 August 2020

**SUNWAY TRAVEL (COACHING) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	<i>As restated</i> 2018 £
Turnover	4	<b>35,352,914</b>	36,082,619
Cost of sales		<b>(23,023,139)</b>	(23,688,325)
<b>Gross profit</b>		<b>12,329,775</b>	12,394,294
Administrative expenses		<b>(11,059,014)</b>	(9,992,969)
Other operating income		<b>57,516</b>	22,788
<b>Operating profit</b>	6	<b>1,328,277</b>	2,424,113
Income from shares in group undertakings		-	1,200,000
Interest receivable and similar income	10	<b>7,079</b>	6,460
Interest payable and expenses	11	<b>(618)</b>	(990)
<b>Profit before tax</b>		<b>1,334,738</b>	3,629,583
Tax on profit	12	<b>(227,327)</b>	(464,694)
<b>Profit for the financial year</b>		<b>1,107,411</b>	3,164,889
<b>Other comprehensive income for the year</b>			
Fair value (loss)/gain on cash flow hedges		<b>(655,044)</b>	88,409
<b>Other comprehensive income for the year</b>		<b>(655,044)</b>	88,409
<b>Total comprehensive income for the year</b>		<b>452,367</b>	3,253,298

The notes on pages 14 to 32 form part of these financial statements.

**SUNWAY TRAVEL (COACHING) LIMITED**  
**REGISTERED NUMBER: 02115045**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	As restated 2018 £
<b>Fixed assets</b>			
Intangible assets	14	9,462	11,261
Tangible assets	15	418,537	88,715
Investments	16	651,897	651,900
		<u>1,079,896</u>	<u>751,876</u>
<b>Current assets</b>			
Stocks	17	1,106	1,630
Debtors: amounts falling due within one year	18	12,599,658	14,278,015
Cash at bank and in hand	19	502,473	538,010
		<u>13,103,237</u>	<u>14,817,655</u>
Creditors: amounts falling due within one year	20	(12,043,951)	(13,952,861)
<b>Net current assets</b>		<u>1,059,286</u>	<u>864,794</u>
<b>Total assets less current liabilities</b>		<u>2,139,182</u>	<u>1,616,670</u>
<b>Provisions for liabilities</b>			
Deferred tax	21	(70,145)	-
		<u>(70,145)</u>	<u>-</u>
<b>Net assets</b>		<u><u>2,069,037</u></u>	<u><u>1,616,670</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	183,525	183,525
Capital redemption reserve	23	500,769	500,769
Cash flow hedging reserve	23	(674,262)	(19,218)
Profit and loss account	23	2,059,005	951,594
		<u>2,069,037</u>	<u>1,616,670</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 August 2020.

**I D Henry**  
Director

The notes on pages 14 to 32 form part of these financial statements.

**SUNWAY TRAVEL (COACHING) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Capital redemption reserve £	Cash flow hedging reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2018 (as restated)</b>	<b>183,525</b>	<b>500,769</b>	<b>(107,627)</b>	<b>786,705</b>	<b>1,363,372</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	3,164,889	3,164,889
Fair value gain/(loss) on cash flow hedges	-	-	88,409	-	88,409
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>88,409</b>	<b>3,164,889</b>	<b>3,253,298</b>
Dividends: Equity capital	-	-	-	(3,000,000)	(3,000,000)
<b>At 1 January 2019</b>	<b>183,525</b>	<b>500,769</b>	<b>(19,218)</b>	<b>951,594</b>	<b>1,616,670</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,107,411	1,107,411
Fair value gain/(loss) on cash flow hedges	-	-	(655,044)	-	(655,044)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(655,044)</b>	<b>1,107,411</b>	<b>452,367</b>
<b>At 31 December 2019</b>	<b>183,525</b>	<b>500,769</b>	<b>(674,262)</b>	<b>2,059,005</b>	<b>2,069,037</b>

The notes on pages 14 to 32 form part of these financial statements.

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	At 1 January 2019 £	Cash flows £	At 31 December 2019
Cash at bank and in hand	538,010	(35,537)	502,473
	<u>538,010</u>	<u>(35,537)</u>	<u>502,473</u>

The notes on pages 14 to 32 form part of these financial statements.



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## SUNWAY TRAVEL (COACHING) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

As disclosed in the Directors' Report, the principal activity of the Company in the year under review was that of a specialist holiday tour operator and wholesaler.

The Company is a private company limited by shares and is incorporated in England. The address of the Company's principal place of business, being the same as the registered office stated on the Company Information page, is:

Sunway House

Canklow Meadows

Rotherham

South Yorkshire

S60 2XR

#### 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The current COVID-19 pandemic has had an unprecedented impact upon the global economy and in particular upon the travel industry, causing many consumers to cancel or amend their holiday arrangements.

Additionally, with the majority of consumers no longer seeking to book holidays until the global situation stabilises, many travel companies are struggling to cope with greatly reduced cash flows. As a result of this, and in addition to already problematic trading conditions, the upcoming ATOL renewal process in September 2020 will likely be very difficult, with regulators seeking measures to ensure that consumer monies are sufficiently protected.

The directors have taken immediate steps to review the Company's financial position, downgraded its forecasts and planned mitigation actions in order to neutralise the financial impact from the significant downturn in trading. The directors have also performed a sensitivity analysis to assess the financial impact of a further slow down in trading from the reforecast and its impact on the liquidity of the Group's business. As a result, the directors believe that it is still appropriate to apply the going concern basis for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.3 Turnover**

Turnover represents the aggregate amount of gross revenue receivable from inclusive tours, travel agency commissions receivable, cancellation income and other services supplied to customers in the ordinary course of business.

Turnover derived from ordinary activities is recognised in the profit and loss account on holiday departure date and is stated after trade discounts, net of VAT and after any other sales taxes.

Other revenues and associated expenses are taken to the profit and loss account as they are earned or incurred.

All receipts taken relating to tours with departure dates after the year end are treated as advanced receipts at the balance sheet date and are included within accruals and deferred income. Payments made to suppliers in respect of these tours are included within prepayments and accrued income at the balance sheet date.

**2.4 Operating leases: the Company as lessee**

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

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.5 Interest income**

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

**2.6 Finance costs**

Finance costs are charged to the 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.7 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.

**2.8 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.

**2.9 Intangible assets**

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	10% straight line
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.10 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.

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:

Motor vehicles	- 16.7% or 20% straight line
Fixtures and fittings	- 15% or 20% straight line
Office equipment	- 15% or 25% 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.

**2.11 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.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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## SUNWAY TRAVEL (COACHING) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.13 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 is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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.

##### 2.14 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.

##### 2.15 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.

##### 2.16 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.

##### 2.17 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

2.18 Financial instruments

The Company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company applies hedge accounting for foreign exchange derivatives.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**2. Accounting policies (continued)**

**2.19 Hedge accounting**

The Company uses foreign currency forward contracts to manage its exposure to cash flow risk on its foreign currency supplier commitments. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

**2.20 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.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Critical judgments in applying the Company's accounting policies**

The directors believe that there are no critical judgments involved in applying the Company's accounting policies that warrant disclosure.

**b) Key accounting estimates and assumptions**

The directors believe that there are no key accounting estimates and assumptions involved in applying the Company's accounting policies that warrant disclosure.

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. Turnover**

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

	2019 £	2018 £
Wholesale holiday sales	35,352,914	36,082,619
	<u>35,352,914</u>	<u>36,082,619</u>

Analysis of turnover by source market:

	2019 £	2018 £
United Kingdom	35,352,914	36,082,619
	<u>35,352,914</u>	<u>36,082,619</u>

**5. Other operating income**

	2019 £	2018 £
Other operating income	42,750	-
Commissions receivable	14,766	22,788
	<u>57,516</u>	<u>22,788</u>

**6. Operating profit**

The operating profit is stated after charging:

	2019 £	2018 £
Other operating lease rentals	<u>52,956</u>	<u>66,148</u>

**7. Auditors' remuneration**

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the ultimate parent company.



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**SUNWAY TRAVEL (COACHING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. Employees**

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

	2019 £	2018 £
Wages and salaries	3,066,239	2,674,436
Social security costs	290,392	257,648
Cost of defined contribution scheme	204,309	51,230
	<u>3,560,940</u>	<u>2,983,314</u>

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

	2019 No.	2018 No.
Sales and customer relations	79	71
Marketing	11	10
Administration	22	20
	<u>112</u>	<u>101</u>

All employees have tripartite contracts of employment with Sunway Travel (Coaching) Limited. Leger Holidays Limited and Leger Air Holidays Limited. All employees of the Group have been remunerated through Sunway Travel (Coaching) Limited during both the 2019 and 2018 financial years.

**9. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	603,114	464,123
Company contributions to defined contribution pension schemes	151,188	21,620
	<u>754,302</u>	<u>485,743</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £261,977 (2018 - £256,936).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £18,982).

**SUNWAY TRAVEL (COACHING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. Interest receivable**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other interest receivable	7,079	6,460
	<u>7,079</u>	<u>6,460</u>

**11. Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other interest payable	618	990
	<u>618</u>	<u>990</u>

**12. Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	194,537	445,723
Adjustments in respect of previous periods	(38,168)	(665)
	<u>156,369</u>	<u>445,058</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	70,958	19,636
	<u>227,327</u>	<u>464,694</u>

**SUNWAY TRAVEL (COACHING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,334,738</u>	<u>3,629,583</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>253,600</b>	689,621
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,653	40,398
Capital allowances for year in excess of depreciation	(63,716)	(11,538)
Adjustments to tax charge in respect of prior periods	(38,168)	(665)
Movements in deferred tax	70,958	19,636
Non-taxable income	-	(228,000)
Research and development relief	-	(29,061)
Group relief	-	(15,697)
<b>Total tax charge for the year</b>	<u><b>227,327</b></u>	<u>464,694</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**13. Dividends**

	2019 £	2018 £
Dividends paid on equity	-	3,000,000
	<u>-</u>	<u>3,000,000</u>

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SUNWAY TRAVEL (COACHING) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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14. Intangible assets

	Trademarks £
<b>Cost</b>	
At 1 January 2019	18,174
Disposals	(192)
	<hr/>
At 31 December 2019	17,982
	<hr/>
<b>Amortisation</b>	
At 1 January 2019	6,913
Charge for the year on owned assets	1,607
	<hr/>
At 31 December 2019	8,520
	<hr/>
<b>Net book value</b>	
At 31 December 2019	<hr/> <u>9,462</u>
<i>At 31 December 2018</i>	<hr/> <u>11,261</u>

**SUNWAY TRAVEL (COACHING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**15. Tangible fixed assets**

	Motor vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2019	-	127,026	668,317	795,343
Additions	300,450	11,500	94,724	406,674
Disposals	-	-	(44,248)	(44,248)
	<u>300,450</u>	<u>138,526</u>	<u>718,793</u>	<u>1,157,769</u>
At 31 December 2019	300,450	138,526	718,793	1,157,769
<b>Depreciation</b>				
At 1 January 2019	-	112,458	594,170	706,628
Charge for the year on owned assets	37,765	5,392	33,305	76,462
Disposals	-	-	(43,858)	(43,858)
	<u>37,765</u>	<u>117,850</u>	<u>583,617</u>	<u>739,232</u>
At 31 December 2019	37,765	117,850	583,617	739,232
<b>Net book value</b>				
At 31 December 2019	<u>262,685</u>	<u>20,676</u>	<u>135,176</u>	<u>418,537</u>
<b>At 31 December 2018</b>	<u>-</u>	<u>14,568</u>	<u>74,147</u>	<u>88,715</u>

**16. Fixed asset investments**

	Investments in subsidiary companies
	£
<b>Cost or valuation</b>	
At 1 January 2019	651,900
Amounts written off	(3)
	<u>651,897</u>
At 31 December 2019	651,897

## SUNWAY TRAVEL (COACHING) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Leger Holidays Limited	Sunway House, Canklow Meadows, Rotherham, Yorkshire, S60 2XR	Coach tour operator	Ordinary	100 %
Leger Air Holidays Limited	As above	Air tour operator	Ordinary	100 %
Consort Travel Services Limited	As above	Dormant - now dissolved	Ordinary	100 %
Shearings Travel Limited	As above	Dormant	Ordinary	100 %
Magictrips Limited	As above	Dormant - now dissolved	Ordinary	100 %
Tours Abroad Limited	As above	Dormant - now dissolved	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Leger Holidays Limited	3,213,084	1,036,835
Leger Air Holidays Limited	728,474	194,615
Consort Travel Services Limited - Dissolved	-	-
Shearings Travel Limited	1	-
Magictrips Limited - Dissolved	-	-
Tours Abroad Limited - Dissolved	-	-

On 2 April 2019, Consort Travel Service Limited, Magictrips Limited and Tours Abroad Limited were dissolved by way of a voluntary strike-off.

#### 17. Stocks

	2019 £	2018 £
Finished goods and consumables	1,106	1,630
	<u>1,106</u>	<u>1,630</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

#### 18. Debtors

2019 £	2018 £
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**SUNWAY TRAVEL (COACHING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**18. Debtors (continued)**

Trade debtors	-	4,474
Amounts owed by group undertakings	<b>10,691,962</b>	13,390,631
Other debtors	<b>404,764</b>	263,859
Prepayments and accrued income	<b>1,502,932</b>	618,238
Deferred taxation	-	813
	<u><b>12,599,658</b></u>	<u><b>14,278,015</b></u>

Included within prepayments and accrued income above are payments made to suppliers relating to bookings departing after the year end, where the Company is acting as principal. The total of these prepaid costs at 31 December 2019 was £1,215,220 (2018: £189,013).

**19. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<b>502,473</b>	538,010
	<u><b>502,473</b></u>	<u><b>538,010</b></u>

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

	2019 £	2018 £
Trade creditors	<b>1,255,240</b>	1,627,516
Amounts owed to group undertakings	<b>8,148,619</b>	10,996,905
Corporation tax	-	165,096
Other taxation and social security	<b>113,347</b>	67,198
Other creditors	<b>12,649</b>	6,363
Accruals and deferred income	<b>1,839,834</b>	1,070,565
Financial instruments	<b>674,262</b>	19,218
	<u><b>12,043,951</b></u>	<u><b>13,952,861</b></u>

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**21. Deferred taxation**

	2019 £
At beginning of year	813
Charged to profit or loss	(70,958)
<b>At end of year</b>	<b><u>(70,145)</u></b>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(70,145)	813
	<b><u>(70,145)</u></b>	<b><u>813</u></b>

**22. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
18,352,483 (2018 - 18,352,500) Ordinary shares of £0.01 each	<b><u>183,525</u></b>	<b><u>183,525</u></b>

The ordinary shares of £0.01 each carry full voting rights, full dividend rights and full rights to participation in any capital distribution on winding up.

**23. Reserves**

**Capital redemption reserve**

The capital redemption reserve represents the amounts arising from the redemption of ordinary shares.

**Cash flow hedging reserve**

The cash flow hedging reserve, in accordance with the Company's accounting policies, relates to the effective portion of changes in the fair value of foreign exchange forward contract derivatives as they are recognised.

**Profit and loss account**

The profit and loss account represents all current and prior period retained profits and losses, less any dividends paid to the Company's parent.



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**SUNWAY TRAVEL (COACHING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**24. Prior year adjustment**

The comparative figures for 31 December 2018 have been adjusted following the Company's adoption of hedge accounting for movements within its foreign exchange derivative contracts during the year. This has resulted in an increase in the profit and loss account as at 1 January 2018 of £107,627 to create the hedge reserve and a reduction in the profit reported for the year ended 31 December 2018 of £88,409. However, there has been no change in the net assets reported at 31 December 2018.

**25. Contingent liabilities**

At 31 December 2019, there were contingent liabilities outstanding in respect of counter indemnities and guarantees given by the Company, in the normal course of business, to the Company's bond insurance obligors in respect of Civil Aviation Authority and Association of British Travel Agent bonds amounting to £2,027,517 (2018 - £1,736,435).

**26. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £204,309 (2018 - £51,230). Contributions totalling £12,589 (2018 - £6,363) were payable to the fund at the balance sheet date and are included in creditors.

**27. Commitments under operating leases**

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	34,038	26,159
Later than 1 year and not later than 5 years	19,656	33,186
	<u>53,694</u>	<u>59,345</u>

**28. Related party transactions**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with other wholly owned subsidiaries within the group. This is because the ultimate parent company prepares consolidated financial statements in which these transactions are eliminated in full.

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**SUNWAY TRAVEL (COACHING) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**29. Controlling party**

The Company's immediate holding company is Tours Abroad Group Limited, a company registered in England and Wales. Copies of the financial statements of Tours Abroad Group Limited can be obtained from Sunway House, Canklow Meadows, Rotherham, South Yorkshire, S60 2XR.

The Company's ultimate holding company is Tours Abroad Group Holdings Limited, a company registered in England and Wales. Copies of the financial statements of Tours Abroad Group Holdings Limited can be obtained from Sunway House, Canklow Meadows, Rotherham, South Yorkshire, S60 2XR.

The ultimate controlling parties are I D Henry and K Henry, by virtue of their majority ownership of the issued share capital of Tours Abroad Group Holdings Limited.

**SUNWAY TRAVEL (COACHING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**30. Cash flow hedges**

At 31 December 2019, the Company had 53 foreign exchange forward contracts that it designated as cash flow hedges of highly probable foreign currency payments to suppliers for firm commitments in future periods. These contracts are entered into to minimise the Company's exposure to foreign exchange risk, between the prices agreed when a customer booking is made and when the supplier is paid.

The following table summarises the foreign currency cash flow hedging instruments in place as at 31 December 2019:

	<b>2019 Volume (Local Currency)</b>	<b>2019 Fair Value (GBP)</b>	<b>2018 Volume (Local Currency)</b>	<b>2018 Fair Value (GBP)</b>
<b>Foreign currency cash flow hedging instruments</b>				
Euros (EUR)	18,850,203	16,078,565	13,618,792	12,226,225
US Dollars (USD)	600,000	452,247	-	-
Swiss Francs (CHF)	270,000	212,579	-	-
	<u>19,720,203</u>	<u>16,743,391</u>	<u>13,618,792</u>	<u>12,226,225</u>

The following table summarises the expected timing and amounts of the forecast future cash flows, which will be recognised in the profit and loss account in the same period in which the cash flows occur:

	<b>Total £</b>
<b>Determination Period</b>	
January - March 2020	4,213,027
April - June 2020	4,661,534
July - September 2020	4,716,591
October - December 2020	3,193,012
January - March 2021	633,493
	<u>17,417,657</u>

During the period, the Company recognised net losses of £655,044 (2018 - £88,409 gains) on forward currency cash flow hedging instruments, all of which were found to be effective and were recognised through other comprehensive income into the cash flow hedging reserve.



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