

Company Registration No. 01512421 (England and Wales)

CLASSIC COLLECTION HOLIDAYS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

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CLASSIC COLLECTION HOLIDAYS LIMITED

COMPANY INFORMATION

Directors

Mr N H P Munday
Mr T D S Charlwood
Mr J V Fleming
Mr P E W Munday
Mr A K Thomson
Mr M de S Brackenbury
Mr M D Rice

Secretary Mr T D S Charlwood

Company number 01512421

Registered office

Saxon House
Little High Street
Worthing
West Sussex
BN11 1DH

Auditor

MHA Carpenter Box
Amelia House
Crescent Road
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West Sussex
BN11 1QR

Business address

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Little High Street
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West Sussex
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CLASSIC COLLECTION HOLIDAYS LIMITED

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CLASSIC COLLECTION HOLIDAYS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present the strategic report and financial statements for the year ended 31 October 2017.

Review of the business

Turnover for 2016/17 is up 3.4% to £61,966,023 (2015/16: £59,929,175). Gross profit for the year was broadly maintained at 13.4% (2015/16: 13.6%). The net profit before tax percentage of 4.1% on turnover (2015/16: 4.3%). Profit before tax is £2,533,001 (2015/16: £2,597,404) and net assets of £8,376,469 (2015/16: £9,710,846) underline a strong financial position well in excess of requirements imposed by the various licensing bodies.

Classic Collection Holiday's turnover in 2016/17 increased as, despite a decrease in annual passengers, average selling prices were higher. Forward sales revenue for 2017/18 is at similar levels to the same time last year. Our offline fulfilment strategy and long-standing relationships with hotelier suppliers, stands us in good stead for access to bed stock in times of heightened demand; this is important as the trend for perceived 'safe' destinations, specifically in Western Europe, continues.

Risks include challenges posed by political unrest and the real and perceived terrorism threats in holiday destinations plus future concerns continue with regards to the value of the pound. Risks and uncertainties, however, often work in the company's favour as customers opt to book with inclusive tour operators like Classic Collection Holidays instead of booking their holiday arrangements themselves. This was specifically relevant in October 2017 when the demise of Monarch Airlines led to Classic Collection Holidays customer services team re-booking 1,740 passengers on alternative flights: a process that was completed within 10 days at a substantial cost but with minimal losses to the business of approximately £40,000. Additionally, high spend travellers appreciate the 100% financial protection afforded by companies such as Classic Collection Holidays that are fully bonded through ABTA and the UK Government-backed ATOL scheme.

Classic Collection Holidays operates luxury holidays to established Mediterranean, European and North African destinations plus, further afield, Bermuda, Barbados, Antigua, and, new for 2017, the Caribbean island of Grenada.

Holidays are promoted in 17 brochures including general Summer and Winter titles, 10 year-round destination brochures featuring Madeira, Mallorca and the Balearic Islands, Italy, Canary Islands, Greece & Cyprus, Morocco, Croatia, Portugal, Turkey and Bermuda & the Caribbean, a magazine-styled Indulgence showcasing Classic Collection Holiday's most luxurious hotels, a Family brochure, a dedicated Lakes & Mountains brochure including Switzerland, Austria, Italy and Slovenia, and a Cities title. Classic Collection Holiday's also produces a euro priced Ireland edition featuring those Classic Collection Holidays destinations particularly popular with the Irish market.

New for 2018, Classic Collection Holidays will promote luxury small ship cruises by Silversea within its Summer and Greece & Cyprus brochures with the aim of booking tailor-made two and multi centre, stay and cruise options. Many of the Mediterranean embarkation and disembarkation ports are included within Classic Collection Holidays portfolio, giving customers an additional choice of luxury hotels not currently available to them through the cruise operator.

In addition to excellent value for money, luxury travellers demand a wide choice of destination, flexibility of departure point, and holiday duration, and Classic Collection Holidays also provides an extensive choice of room types in properties ranging from good value four star hotels to five star deluxe. Dynamically-priced holidays are delivered by tough contracting procedures and enhanced by a continuous stream of special offers negotiated with hotel partners. As Classic Collection Holidays purchases air seats and hotel beds at the time at which customers confirm their bookings, financial commitment is minimised. For 2018, additional complexity of product including two and multi centre holidays, Silversea cruise and stay, fly drive, self-drive and rail holidays, plus an additional emphasis on Concierge extras including private excursions and add-ons such as theatre and opera tickets, sporting events and restaurant recommendations and reservations, ensures that Classic continues to excel in all aspects of customer service ensuring that it outperforms its online and offline competitors.

CLASSIC COLLECTION HOLIDAYS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

Long-term sustainability is based on delighted loyal customers travelling again and again, recommending the company, and reporting back favourably to family, friends and travel agents. At least 44% of 2016/17 customers had been on a previous Classic Collection Holidays holiday within the previous five years and current questionnaire responses highlight that 98% of customers confirm that they intend to return on a Classic Collection Holidays holiday and would be pleased to act as ambassadors in recommending the company to friends and family.

Although there is real and perceived decline on the high street, new UK travel agencies and homeworking agents continue to start trading thus allowing Classic Collection Holidays to distribute via approximately 3,000 outlets and through 2,000 homeworking travel experts. The Classic Collection Holidays brand increases in popularity year by year and directors, managers and staff are delighted to have received numerous accolades and awards from travel consortia Advantage, Elite and TTNG, trade publications including Travel Bulletin, Travel Weekly and TTG, and industry associations AITO, SPAA and at the 2017 Northern Ireland Travel Awards.

Sales from the Republic of Ireland increased during 2017 and, with additional digital and social presence, plus a dedicated brochure, the company is optimistic that this positive trend will continue.

Classic Collection Holiday's public brand is enhanced by continued emphasis on exemplary service overseas, local and national public relations, and a substantial and increasing online presence with continued investment in digital marketing and promotion through social channels both directly to customers and, via the travel agent community, to their own databases.

Management and staff turnover is minimal and the company increasingly supports training and development initiatives. School leavers are encouraged to join Classic Collection Holidays on work-based learning schemes and, alongside Chichester University, Classic Collection Holiday's first business trainee graduated in 2016. Classic Collection Holidays currently supports four Management Degree undergraduates and an IT Apprentice plus an Intern scheme whereby full time undergraduate students can be employed in various departments for a whole year to gain valuable insights into the business practices of a successful tour operation. Five employees in the finance team are working towards professional qualifications, the reservations team continuously receives product, system and sales refresher training, the marketing team attend digital workshops ensuring up-to-date best practices, and all managers are encouraged to attend ABTA and AITO training days where relevant.

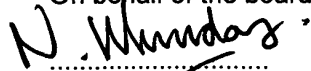
Saxon House in central Worthing provides an excellent office environment for Classic's 120+ employees. In 2009, the freehold was purchased, with Classic Collection Holiday's capital, at an extremely favourable price. This has proved to be a good investment in quality bricks and mortar and successive revaluations show its worth to be more than the original purchase price. Together with the rental received from the tenants on the top floor, this continues to ensure that a low infrastructure overhead is maintained, and helps stand the company in good stead for future expansion.

Classic Collection Holidays recognises the weight of environmental issues surrounding the travel industry and, for the year 2016/17, to offset the carbon emissions associated with staff travel, the company contributed £1,125 towards a recognised sustainability project masterminded by the industry's leading environmental charity, The Travel Foundation.

Of the three wholly owned subsidiaries: Classic Collection Aviation Limited carried out the transport broking business of the Group, Saxon House Properties Limited owns the freehold of the company's central Worthing premises, whilst Classic Collection Holidays, Travel and Leisure Limited, remained dormant throughout the year.

The directors acknowledge and appreciate the management team and staff for their passionate, professional and tireless support of, and loyalty to, Classic Collection Holidays.

On behalf of the board



Mr N H P Munday

Director

13/12/17

CLASSIC COLLECTION HOLIDAYS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2017

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

Principal activities

The principal activity of the company and group continued to be that of an outbound tour operator.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N H P Munday
Mr T D S Charlwood
Mr J V Fleming
Mr P E W Munday
Mr A K Thomson
Mr M de S Brackenbury
Mr M D Rice

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £2,000,000. The directors do not recommend payment of a further dividend.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 October 2017	31 October 2016
Mr N H P Munday	600,000	600,000
Mr T D S Charlwood	-	-
Mr J V Fleming	200,000	200,000
Mr P E W Munday	100,000	100,000
Mr A K Thomson	100,000	100,000
Mr M de S Brackenbury	50,000	50,000
Mr M D Rice	10,000	10,000

Corporate social responsibility

The directors believe in the importance of its own social performance and, within its business model, it operates a sustainable and responsible business ensuring active compliance within the spirit of the law encouraging a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and other relevant members within the public arena. Classic Collection Holidays, during 2016/17, paid approximately £1,200,000 in customers' Air Passenger Duty and employees' PAYE, plus £2,000,000 in direct taxation pertaining to Corporation Tax, Employers' National Insurance and Tour Operators' Margin Scheme (TOMS) VAT. Unlike many companies wishing to register off shore in order to benefit from tax exemptions and legal exclusions, Classic Collection Holidays directors, managers and employees wish to maintain a successful, efficient and moral business within the UK.

CLASSIC COLLECTION HOLIDAYS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

Primary risk management

The executive directors and management team continuously assess, manage, and, wherever possible, mitigate, the primary risks to the company's business. With regards to foreign exchange exposure, we purchase currency on a regular basis to cover customers' holiday costs at the time of booking and, additionally, the company has a rolling currency hedging policy which helps to ensure our competitiveness. Customer and travel agent credit risks are offset by insurances and ABTA membership arrangements, and diversification means that we have no over-reliance on any major customer or supplier. Our IT resilience is enhanced by an off-site disaster-recovery provision and specialist cyber-insurance has been purchased to mitigate the effects of potential threats, attacks and breaches. Continuous hotel health and safety assessments, robust overseas reporting and adequate insurance additionally mitigate exposure to potential holiday claims.

Market value of land and buildings

The directors agree with the recent professional valuation which has been used in the preparation of the company's accounts.

Future developments

Customers need to justify expenditure, demanding excellent value for money; they are adept at price comparisons and, as they search for the best deals, our reservation team experience high call volumes and long call durations. Additionally, ambitious competition puts pressure on Classic's gross margins and the increasing complexity of the booking process, together with underlying inflationary effects, could have a detrimental effect on the company's overhead. In a world of commoditisation and transparency of travel products and prices, an attractive customer proposition is paramount and, in order to fulfil and exceed customer expectations, continued development of Classic Collection Holiday's computer system enables additional purchasing and pricing flexibility together with an enhanced fulfilment process.

A steady albeit slow growth in the UK economy, coupled with the increase of baby-boomer customers, now in their mid-fifties, ensures a growing customer base of those willing to enjoy a high value holiday and Classic Collection Holidays is cautiously optimistic about anticipating turnover growth. Continuing to take advantage of every opportunity to grow the business profitably, the directors remain positive about the medium-term prospects for the luxury travel sector, ensuring that Classic Collection Holidays is well financed and keenly structured.

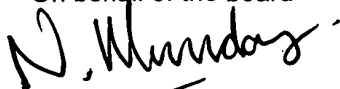
Auditor

In accordance with the company's articles, a resolution proposing that MHA Carpenter Box be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr N H P Munday

Director
13/12/17

CLASSIC COLLECTION HOLIDAYS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2017

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements 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 and company will continue in business.

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

CLASSIC COLLECTION HOLIDAYS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLASSIC COLLECTION HOLIDAYS LIMITED

Opinion

We have audited the financial statements of Classic Collection Holidays Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017 which comprise the Group Statement of Comprehensive Income, the Group Statement Of Financial Position, the Company Statement Of Financial Position, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 October 2017 and of its 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.

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 auditor's 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CLASSIC COLLECTION HOLIDAYS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CLASSIC COLLECTION HOLIDAYS LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

CLASSIC COLLECTION HOLIDAYS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CLASSIC COLLECTION HOLIDAYS LIMITED

Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MHA Carpenter Box

Eileen Houghton ACA FCCA DChA (Senior Statutory Auditor)
for and on behalf of MHA Carpenter Box
Chartered Accountants
Statutory Auditor
Worthing

13th December 2017.

CLASSIC COLLECTION HOLIDAYS LIMITED

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

	Notes	2017 £	2016 £
Revenue	3	61,966,022	59,929,175
Cost of sales		(53,681,709)	(51,784,378)
Gross profit		8,284,313	8,144,797
Administrative expenses		(5,776,387)	(5,570,204)
Operating profit	4	2,507,926	2,574,593
Investment income	8	25,075	22,811
Profit before taxation		2,533,001	2,597,404
Taxation	9	(411,271)	(436,870)
Profit for the financial year		2,121,730	2,160,534
Other comprehensive income			
Revaluation of property, plant and equipment		(160,000)	220,000
Cash flow hedges (loss)/gain arising in the year		(141,491)	1,476,874
Prior year's cash flow hedges released to profit or loss		(1,476,874)	299,237
Deferred tax relating to components of other comprehensive income		322,258	(355,222)
Total comprehensive income for the year		665,623	3,801,423

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Group Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

CLASSIC COLLECTION HOLIDAYS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	11		170,493		208,366
Other intangible assets	11		71,940		136,982
Total intangible assets			242,433		345,348
Property, plant and equipment	12		2,714,966		2,845,148
			2,957,399		3,190,496
Current assets					
Trade and other receivables	16	4,666,716		6,017,168	
Cash at bank and in hand		11,144,294		11,561,219	
		15,811,010		17,578,387	
Current liabilities	17	(10,391,940)		(10,751,062)	
Net current assets			5,419,070		6,827,325
Total assets less current liabilities			8,376,469		10,017,821
Provisions for liabilities	18		-		(306,975)
Net assets			8,376,469		9,710,846
Equity					
Called up share capital	21		1,135,000		1,135,000
Share premium account			50,000		50,000
Revaluation reserve			224,397		384,397
Hedging reserve	22		(114,608)		1,181,499
Retained earnings			7,081,680		6,959,950
Total equity			8,376,469		9,710,846

The financial statements were approved by the board of directors and authorised for issue on 13/12/2017 and are signed on its behalf by:

N. Munday

Mr N H P Munday
Director

T D S Charlwood

Mr T D S Charlwood
Director

CLASSIC COLLECTION HOLIDAYS LIMITED

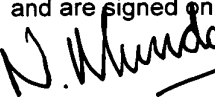
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	11		170,493		208,366
Other intangible assets	11		71,940		136,982
Total intangible assets			242,433		345,348
Property, plant and equipment	12		89,966		60,148
Investments	13		61,336		61,336
			393,735		466,832
Current assets					
Trade and other receivables	16	5,862,053		7,452,351	
Cash and cash equivalents		10,603,270		11,024,547	
		16,465,323		18,476,898	
Current liabilities	17	(9,494,014)		(10,161,674)	
Net current assets			6,971,309		8,315,224
Total assets less current liabilities			7,365,044		8,782,056
Provisions for liabilities	18		-		(306,975)
Net assets			7,365,044		8,475,081
Equity					
Called up share capital	21		1,135,000		1,135,000
Share premium account			50,000		50,000
Hedging reserve	22		(114,608)		1,181,499
Retained earnings			6,294,652		6,108,582
Total equity			7,365,044		8,475,081

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £2,186,070 (2016 - £2,104,983 profit).

The financial statements were approved by the board of directors and authorised for issue on 12/12/2017 and are signed on its behalf by:



 Mr N H P Munday
 Director



 Mr T D S Charlwood
 Director

Company Registration No. 01512421

CLASSIC COLLECTION HOLIDAYS LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Hedging reserve £	Retained earnings £	Total £
Balance at 1 November 2015		1,135,000	50,000	164,397	(239,390)	7,299,416	8,409,423
Year ended 31 October 2016:							
Profit for the year		-	-	-	-	2,160,534	2,160,534
Other comprehensive income:							
Revaluation of property, plant and equipment		-	-	220,000	-	-	220,000
Cash flow hedges gains arising in the year		-	-	-	1,476,874	-	1,476,874
Cash flow hedges gains reclassified to profit or loss		-	-	-	299,237	-	299,237
Tax relating to other comprehensive income		-	-	-	(355,222)	-	(355,222)
Total comprehensive income for the year		-	-	220,000	1,420,889	2,160,534	3,801,423
Dividends	10	-	-	-	-	(2,500,000)	(2,500,000)
Balance at 31 October 2016		1,135,000	50,000	384,397	1,181,499	6,959,950	9,710,846
Year ended 31 October 2017:							
Profit for the year		-	-	-	-	2,121,730	2,121,730
Other comprehensive income:							
Revaluation of property, plant and equipment		-	-	(160,000)	-	-	(160,000)
Cash flow hedges gains arising in the year		-	-	-	(141,491)	-	(141,491)
Cash flow hedges gains reclassified to profit or loss		-	-	-	(1,476,874)	-	(1,476,874)
Tax relating to other comprehensive income		-	-	-	322,258	-	322,258
Total comprehensive income for the year		-	-	(160,000)	(1,296,107)	2,121,730	665,623
Dividends	10	-	-	-	-	(2,000,000)	(2,000,000)
Balance at 31 October 2017		1,135,000	50,000	224,397	(114,608)	7,081,680	8,376,469

CLASSIC COLLECTION HOLIDAYS LIMITED

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

	Notes	Share capital £	Share premium account £	Hedging reserve £	Retained earnings £	Total £
Balance at 1 November 2015		1,135,000	50,000	(239,390)	6,503,599	7,449,209
Year ended 31 October 2016:						
Profit for the year		-	-	-	2,104,983	2,104,983
Other comprehensive income:						
Cash flow hedges gains arising in the year		-	-	1,476,874	-	1,476,874
Cash flow hedges gains reclassified to profit or loss		-	-	299,237	-	299,237
Tax relating to other comprehensive income		-	-	(355,222)	-	(355,222)
Total comprehensive income for the year		-	-	1,420,889	2,104,983	3,525,872
Dividends	10	-	-	-	(2,500,000)	(2,500,000)
Balance at 31 October 2016		1,135,000	50,000	1,181,499	6,108,582	8,475,081
Year ended 31 October 2017:						
Profit for the year		-	-	-	2,186,070	2,186,070
Other comprehensive income:						
Cash flow hedges gains arising in the year		-	-	(141,491)	-	(141,491)
Cash flow hedges gains reclassified to profit or loss		-	-	(1,476,874)	-	(1,476,874)
Tax relating to other comprehensive income		-	-	322,258	-	322,258
Total comprehensive income for the year		-	-	(1,296,107)	2,186,070	889,963
Dividends	10	-	-	-	(2,000,000)	(2,000,000)
Balance at 31 October 2017		1,135,000	50,000	(114,608)	6,294,652	7,365,044

CLASSIC COLLECTION HOLIDAYS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	2,159,782		4,158,141	
Income taxes paid		(490,216)		(431,024)	
Net cash inflow from operating activities		<u>1,669,566</u>		<u>3,727,117</u>	
Investing activities					
Purchase of intangible assets		(29,131)		(111,800)	
Purchase of property, plant and equipment		(84,427)		(35,468)	
Proceeds on disposal of property, plant and equipment		1,992		-	
Interest received		25,075		22,811	
Net cash used in investing activities		<u>(86,491)</u>		<u>(124,457)</u>	
Financing activities					
Dividends paid to equity shareholders		(2,000,000)		(2,500,000)	
Net cash used in financing activities		<u>(2,000,000)</u>		<u>(2,500,000)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(416,925)</u>		<u>1,102,660</u>	
Cash and cash equivalents at beginning of year		11,561,219		10,458,559	
Cash and cash equivalents at end of year		<u><u>11,144,294</u></u>		<u><u>11,561,219</u></u>	

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

Company information

Classic Collection Holidays Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Saxon House, Little High Street, Worthing, West Sussex, BN11 1DH.

The group consists of Classic Collection Holidays Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The group's land and buildings, which are rented from Saxon House Properties Limited to Classic Collection Holidays Limited is accounted for as investment property within the financial statements of the subsidiary and as property, plant and equipment carried at fair value within the group's consolidated financial statements. This treatment is in accordance with the Financial Reporting Council's Staff Education Note 4: Investment Properties. In accordance with FRS 102, by adopting a revaluation model, no depreciation has been provided on the buildings element of the property. This treatment has been adopted in the interests of giving a true and fair view, which overrides the otherwise specific requirements of the Companies Act 2006 to provide for depreciation on fixed assets with a limited useful economic life.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £2,186,070 (2016 - £2,104,983 profit).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Classic Collection Holidays Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). The subsidiaries include Classic Collection Aviation Limited, Saxon House Properties Limited and Classic Collection Holidays, Travel & Leisure Limited. All financial statements are made up to 31 October 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Revenue

Revenue represents amounts receivable from ordinary activities before deducting travel agent commission where appropriate and exclusive of VAT and is recognised on date of departure.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

The useful life was determined with reference to its established market presence, good relationships with suppliers and solid customer base, which were deemed to be advantageous qualities that would ensure the continued business was maintained and from which a stronger platform could develop. The remaining value and useful life has been reviewed for impairment but the directors consider that the initial assessment remains appropriate.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	33.3% straight line per annum
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1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation
Computer equipment	33.3% straight line per annum
Fixtures and fittings	25% straight line per annum
Motor vehicles	25% straight line per annum

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

(Continued)

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

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

3 Revenue

The group engages in only one class of business as Tour Operators, this is considered to be the rendering of services. Turnover originates in the United Kingdom.

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned property, plant and equipment	54,609	53,154
Profit on disposal of property, plant and equipment	(1,992)	-
Amortisation of intangible assets	132,046	114,357
Operating lease charges	53,851	53,163

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	8,100	9,125
Audit of the financial statements of the company's subsidiaries	4,100	4,500
	<u>12,200</u>	<u>13,625</u>
For other services		
Other assurance services	3,000	2,790
Taxation compliance services	1,000	850
All other non-audit services	20,728	15,820
	<u>24,728</u>	<u>19,460</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2017 Number	2016 Number
Executive	9	9
IT & Premises	4	5
Accounts	15	14
Marketing	14	13
Overseas	1	1
Purchasing	4	4
Commercial	10	9
Call Centre	51	47
Customer Services and H&S	9	9
Admin	10	13
	<u>127</u>	<u>124</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,207,333	3,087,592
Social security costs	290,325	307,736
Pension costs	86,441	89,579
	<u>3,584,099</u>	<u>3,484,907</u>

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	263,322	265,549
Company pension contributions to defined contribution schemes	6,447	6,320
	<u>269,769</u>	<u>271,869</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	125,996	127,056
Company pension contributions to defined contribution schemes	6,447	6,320
	<u>132,443</u>	<u>133,376</u>

8 Investment income

	2017 £	2016 £
Interest income		
Interest on bank deposits	25,075	22,811
	<u>25,075</u>	<u>22,811</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	25,075	22,811
	<u>25,075</u>	<u>22,811</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	506,241	545,181
Adjustments in respect of prior periods	(109,270)	(90,411)
	<u>396,971</u>	<u>454,770</u>

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

9 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	(8,200)	(17,900)
Adjustment in respect of prior periods	22,500	-

Total deferred tax	14,300	(17,900)
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Total tax charge for the year	411,271	436,870
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The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	2,533,001	2,597,404
Expected tax charge based on the standard rate of corporation tax in the UK of 19.41% (2016: 20.00%)	491,655	519,481
Tax effect of expenses that are not deductible in determining taxable profit	33	295
Adjustments in respect of prior years	(86,769)	(90,411)
Effect of change in corporation tax rate	(1,040)	-
Permanent capital allowances in excess of depreciation	-	(470)
Amortisation on assets not qualifying for tax allowances	7,351	7,575
Deferred tax adjustments in respect of prior years	-	400
Other	41	-
Taxation charge for the year	411,271	436,870

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Reclassifications from equity to profit or loss:		
Relating to cash flow hedges	(322,258)	355,222

10 Dividends

	2017 £	2016 £
Interim paid	2,000,000	2,500,000

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

11 Intangible fixed assets

Group	Goodwill £	Computer software £	Total £
Cost			
At 1 November 2016	757,466	259,025	1,016,491
Additions	-	29,131	29,131
At 31 October 2017	757,466	288,156	1,045,622
Amortisation and impairment			
At 1 November 2016	549,100	122,043	671,143
Amortisation charged for the year	37,873	94,173	132,046
At 31 October 2017	586,973	216,216	803,189
Carrying amount			
At 31 October 2017	170,493	71,940	242,433
At 31 October 2016	208,366	136,982	345,348
Company			
	Goodwill £	Computer software £	Total £
Cost			
At 1 November 2016	757,466	259,025	1,016,491
Additions	-	29,131	29,131
At 31 October 2017	757,466	288,156	1,045,622
Amortisation and impairment			
At 1 November 2016	549,100	122,043	671,143
Amortisation charged for the year	37,873	94,173	132,046
At 31 October 2017	586,973	216,216	803,189
Carrying amount			
At 31 October 2017	170,493	71,940	242,433
At 31 October 2016	208,366	136,982	345,348

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

12 Property, plant and equipment

Group	Freehold land and buildings	Computer equipment	Fixtures and Motor vehicles fittings		Total
	£	£	£	£	£
Cost					
At 1 November 2016	2,785,000	274,069	115,835	8,020	3,182,924
Additions	-	73,977	2,475	7,975	84,427
Disposals	-	(53,068)	(22,018)	(8,020)	(83,106)
Revaluation	(160,000)	-	-	-	(160,000)
At 31 October 2017	2,625,000	294,978	96,292	7,975	3,024,245
Depreciation and impairment					
At 1 November 2016	-	226,829	103,261	7,686	337,776
Depreciation charged in the year	-	44,678	7,935	1,996	54,609
Eliminated in respect of disposals	-	(53,068)	(22,018)	(8,020)	(83,106)
At 31 October 2017	-	218,439	89,178	1,662	309,279
Carrying amount					
At 31 October 2017	2,625,000	76,539	7,114	6,313	2,714,966
At 31 October 2016	2,785,000	47,240	12,574	334	2,845,148

The freehold land and buildings in the group comprises of Saxon House, Little High Street, Worthing, BN11 1DH. The fair value of the freehold land and buildings has been arrived at on the basis of valuations carried out as at 31 October 2017 by Flude Commercial, Chartered Surveyors, the valuations were made on an open market value basis.

Under the depreciated cost model the carrying value of freehold land and buildings would be £2,306,710 (2016 - £2,338,008).

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

12 Property, plant and equipment

(Continued)

Company	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 November 2016	274,069	115,835	8,020	397,924
Additions	73,977	2,475	7,975	84,427
Disposals	(53,068)	(22,018)	(8,020)	(83,106)
At 31 October 2017	294,978	96,292	7,975	399,245
Depreciation and impairment				
At 1 November 2016	226,829	103,261	7,686	337,776
Depreciation charged in the year	44,678	7,935	1,996	54,609
Eliminated in respect of disposals	(53,068)	(22,018)	(8,020)	(83,106)
At 31 October 2017	218,439	89,178	1,662	309,279
Carrying amount				
At 31 October 2017	76,539	7,114	6,313	89,966
At 31 October 2016	47,240	12,574	334	60,148

13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	14	-	-	61,336	61,336

Movements in non-current investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 November 2016 and 31 October 2017	61,336
Carrying amount	
At 31 October 2017	61,336
At 31 October 2016	61,336

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

14 Subsidiaries

Details of the company's subsidiaries at 31 October 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Classic Collection Aviation Limited	Shared with parent	Transport broker	Ordinary	100	
Classic Collection Holiday Travel & Leisure Limited	Shared with parent	Dormant	Ordinary	100	
Saxon House Properties Limited	Shared with parent	Property management for group trading	Ordinary	100	

15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,007,442	977,491	4,762,093	4,792,997
Instruments measured at fair value through other comprehensive income	-	1,476,874	-	1,476,874
Carrying amount of financial liabilities				
Instruments measured at fair value through other comprehensive income	141,491	-	141,491	-
Measured at amortised cost	8,808,389	9,304,242	8,061,883	8,893,085

16 Trade and other receivables

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade receivables	246,144	291,881	246,144	291,881
Corporation tax recoverable	89,304	-	89,304	-
Amounts owed by group undertakings	-	-	4,367,906	4,495,916
Derivative financial instruments	-	1,476,874	-	1,476,874
Other receivables	761,298	685,610	148,043	5,200
Prepayments and accrued income	3,568,987	3,562,803	1,009,673	1,182,480
	4,665,733	6,017,168	5,861,070	7,452,351
Deferred tax asset (note 18)	983	-	983	-
	4,666,716	6,017,168	5,862,053	7,452,351

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

17 Current liabilities

	Group 2017 £	2016 £	Company 2017 £	2016 £
Payments received on account	3,823,687	4,036,795	3,823,687	4,036,795
Trade payables	4,969,246	5,258,850	4,163,405	4,788,358
Amounts due to group undertakings	-	-	59,335	59,335
Corporation tax payable	226,241	230,181	124,074	100,000
Other taxation and social security	727,551	698,455	715,132	686,339
Derivative financial instruments	141,491	-	141,491	-
Other payables	15,456	8,597	15,456	8,597
Accruals and deferred income	488,268	518,184	451,434	482,250
	<u>10,391,940</u>	<u>10,751,062</u>	<u>9,494,014</u>	<u>10,161,674</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Group				
Accelerated capital allowances	-	11,600	(25,900)	-
Cash flow hedges	-	295,375	26,883	-
	<u>-</u>	<u>306,975</u>	<u>983</u>	<u>-</u>
	<u>-</u>	<u>306,975</u>	<u>983</u>	<u>-</u>
Company				
Accelerated capital allowances	-	11,600	(25,900)	-
Cash flow hedges	-	295,375	26,883	-
	<u>-</u>	<u>306,975</u>	<u>983</u>	<u>-</u>
	<u>-</u>	<u>306,975</u>	<u>983</u>	<u>-</u>

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

18 Deferred taxation

(Continued)

	Group 2017 £	Company 2017 £
Movements in the year:		
Liability at 1 November 2016	306,975	306,975
Charge to profit or loss	14,300	14,300
Credit to other comprehensive income	(322,258)	(322,258)
Liability/(asset) at 31 October 2017	(983)	(983)

It is anticipated that the deferred tax liability relating to the cash flow hedges will reverse within twelve months of the reporting date.

19 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	86,441	89,579

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share-based payment transactions

On 17 June 2008 the company set up the Classic Collection Holidays Limited unapproved executive share option scheme 2008 for the benefit of the group's senior employees. On 28 July 2008 a fair value of £4.33 per ordinary share was established. In 2008 45,000 options were granted with exercise prices ranging from £8.00 - £13.00. The options can only be exercised following an 'exit event' and the directors believe any profit and loss charge required in the financial statements would be immaterial. At the balance sheet date 32,000 (2016 - 32,000) share options were outstanding. Mr M Rice, a director, has an interest in some of these options.

21 Share capital

	Group and company 2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1,135,000 Ordinary shares of £1 each	1,135,000	1,135,000

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

22 Hedging reserve

	Group 2017 £	2016 £	Company 2017 £	2016 £
At beginning of year	1,181,499	(239,390)	1,181,499	(239,390)
Gains and losses on cash flow hedges	(141,491)	1,476,874	(141,491)	1,476,874
Transfer to profit or loss	(1,476,874)	299,237	(1,476,874)	299,237
Deferred tax related to gains and losses recognised within other comprehensive income	322,258	(355,222)	322,258	(355,222)
At end of year	(114,608)	1,181,499	(114,608)	1,181,499

The company entered into forward foreign exchange contracts to mitigate exchange rate risk for foreign currency payments. At 31 October 2017, the outstanding contracts all mature within 12 months of the year end. The company had committed to buy €18,650,000, \$800,000 and MADnil, amounting to 51% of the forecasted total currency required for the coming year (2016: €19,525,000, \$800,000 and MAD300,000)

The forward contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward rates for GBP:EUR, GBP:USD and GBP:MAD. The fair value of the forward currency contracts is a loss of £141,491 (2016: £1,476,874 gain).

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	50,000	50,000	303,000	297,000
Between two and five years	58,000	108,000	428,000	731,000
	108,000	158,000	731,000	1,028,000

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	105,000	105,000	105,000	105,000
Between two and five years	140,000	244,000	140,000	244,000
	245,000	349,000	245,000	349,000

CLASSIC COLLECTION HOLIDAYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	611,798	629,888

25 Controlling party

For the whole year, the company and the group were under the control of Mr N H P Munday, the major shareholder and managing director.

26 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	2,121,730	2,160,534
Adjustments for:		
Taxation charged	411,271	436,870
Investment income	(25,075)	(22,811)
Gain on disposal of property, plant and equipment	(1,992)	-
Amortisation and impairment of intangible assets	132,046	114,357
Depreciation and impairment of property, plant and equipment	54,609	53,154
Movements in working capital:		
(Increase) in trade and other receivables	(36,135)	(69,392)
(Decrease)/increase in trade and other payables	(496,672)	1,485,429
Cash generated from operations	2,159,782	4,158,141