Registered number: 01030986

International Travel Connections Limited

Report and Financial Statements

For the year ended 30 April 2019

Directors
J I Atkinson
M Barritt (resigned 29th July 2019)
J E Hinkson
L Marshall
S L Roberts
E V Pickering
D Acarnley (appointed 28th November 2018)

Auditors
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers
Santander UK plc
Bridle Road
Bootle
Merseyside L30 1PH

Registered Office
Bridgetown House
Lower Bridge Street
Chester
Cheshire CH1 1RU

Contents

Strategic Report

for the year ended 30 April 2019

The directors of International Travel Connections Limited present their Strategic Report for the year ended 30 April 2019.

Principal activity

The principal activity of the company is that of a luxury tour operator. The business is focused on providing an exceptional luxury travel experience at a competitive price.

Business review

The results of the year show a profit after taxation of £394,000 (2018: £1,484,000) on sales of £68,004,000 (2018: £57,815,000).

In the year to 30 April 2019, we brought the group's trading under the Western & Oriental brand into International Travel Connections Limited and wound down the Western & Oriental brand. The year ended 30 April 2019 has been a good year of trading for the ITC brands seeing an improvement in the gross profit margin. Costs have increased with significant investment being made for future years across technology, people and marketing and also the Western & Oriental brand costs moving into this company. The forward order book at the end of April 2019 underpinned over 40% of the profit budgeted for the next financial year, in line with the previous year (2018: 40%).

Financial key performance indicators

The Directors are pleased with the performance of the business during the year and the following KPIs summarise the strong performance:

	2019	2018
	£'000	£'000
Revenue	68,004	57,815
Gross profit	11,031	8,964
Gross profit margin	16.2%	15.5%
Profit after tax	394	1,484

Principal risks and uncertainties

The Company's strategy is to follow an approved risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

Business performance risk

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which it operates. This risk is managed through a number of measures: authorisation of purchases; ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls and key performance indicators.

Due to the nature of the business, the company is also exposed to geographic and political risks as well as potential natural disasters. The risks are mitigated through the diverse portfolio of products and destinations that the company uses as well as employing a specific highly experienced 'Crisis Team' that operates during such times.

Strategic Report

Principal risks and uncertainties (continued)

Maintaining standards of care and health and safety risk

The company is committed to ensuring a safe working environment. These risks are managed by the company through the promotion of a health and safety culture and health and safety controls, procedures and policies.

Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and for longer term planning. The company exercises financial and business control through a combination of: qualified and experienced financial personnel; performance analysis; budgeting and cash flow control.

Financial instrument risks

The company's principal financial instruments comprise cash, trade debtors and creditors, loans and certain other debtors and creditors. The main risks associated with these financial assets and liabilities are set out below.

Currency risk

The company uses exchange rate hedges to manage all foreign exchange exposures. Hedges are taken as soon as a foreign currency commitment is made.

Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for that other party by failing to discharge an obligation. Company policies are structured to mitigate such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the company's debtors are shown in notes to the financial statements.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company's liquidity risk is managed through regular monitoring and forecasting of cash generated from operations, required cash levels and the utilisation of available bank facilities. The company also manages liquidity risk via the use of letters of credit wherever reasonably possible.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. Cash flow risk is managed through cash flow forecasting and authorisation of payments.

Brexit risk

The current uncertainty over Brexit, creates some uncertainty for the business, although with relatively low risk. The directors are confident that the business is in a strong position to react quickly at the appropriate time, when the future UK/EU relationship does become clearer, in order to continue to provide the highest levels of service to our clients. There is an internal Brexit focus group which manages and mitigates any risk and takes appropriate insight from the appropriate regulators.

This report was approved by the board on 29 August 2019 and signed on its behalf by:

Emma Pickering

Emma Pickering

Director

Directors' report

for the year ended 30 April 2019

The directors present their report and financial statements for the year ended 30 April 2019.

Results and dividends

The profit for the year, after taxation amounted to £394,000 (2018 – £1,484,000). The directors do not recommend the payment of a dividend (2018:£nil).

Going concern

The Company's business activity, together with the factors likely to affect its future development and position are set out above. The directors believe that the borrowing facilities in place are more than adequate for the future needs of the group and the group is well placed to manage its business risks successfully. On the basis of their assessment of the company's financial position the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial instruments

The disclosures of financial instrument risks and policies have been included in the Strategic Report in accordance with 414C(11) of the Companies Act 2016 as the directors consider that this information is of strategic important.

Directors

The directors who served during the year were:

J I Atkinson
M Barritt (resigned 29th July 2019)
J E Hinkson
L Marshall
S L Roberts
E V Pickering
D Acarnley (appointed 28th November 2018)

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquires of fellow directors and the company's auditor, each director has taken all steps that he/she is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Post balance sheet events

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

Directors' report

for the year ended 30 April 2019

Auditors

A resolution for the reappointment of Ernst & Young LLP as auditors of the Company will be proposed at the forthcoming annual general meeting.

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

Emma Pickering

Emma Pickering
Director
Date: 29 August 2019

Directors' responsibilities statement

for the year ended 30 April 2019

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

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

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

Independent auditors' report

to the shareholders of International Travel Connections Limited

Opinion

We have audited the financial statements of International Travel Connections Limited for the year ended 30 April 2019, which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 22, 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" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 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 Auditor's responsibilities for the audit of the financial statements section of our report below. 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 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.

Independent auditors' report

to the shareholders of International Travel Connections Limited

Other information

The other information comprises the information included in the annual report set out on pages 3 to 6, 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 this 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 the 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 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 set out on page 7, 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.

Independent auditors' report

to the shareholders of International Travel Connections 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 https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Ruth Logan (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date 29/08/19

Statement of comprehensive income

for the year ended 30 April 2019

	Notes	2019 £000	2018 £000
Turnover	2	68,004	57,815
Cost of sales		(56,973)	(48,851)
Gross Profit		11,031	8,964
Administrative expenses		(10,671)	(7,292)
Exceptional administrative expenses	9	(10)	-
Operating Profit	3	350	1,672
Interest receivable and similar income	7	41	44
Profit before taxation		391	1,716
Taxation credit/(charge)	8	3	(232)
Profit for the financial year		394	1,484

All amounts relate to continuing operations.

There was no other comprehensive income for 2019 (2018 – £nil).

The notes on pages 14 to 26 form part of these financial statements.

Registered number: 01030986

Statement of financial position

as at 30 April 2019

	Notes	*2019* *£000*	*2018* *£000*
Fixed assets			
Goodwill	10	534	620
Intangible assets	11	206	
Tangible assets	12	521	621
		1,261	1,241
Current assets			
Debtors: amounts falling due within one year	13	25,965	23,313
Cash at bank and in hand		6,692	5,185
		32,657	28,498
Creditors: amounts falling due within one year	14	(25,501)	(21,716)
Net current assets		7,156	6,782
Total assets less current liabilities		8,417	8,023
Net assets		8,417	8,023
Capital and reserves			
Called up share capital	16	100	100
Share premium account	17	8	8
Capital redemption reserve	17	354	354
Profit and loss account	17	7,955	7,561
		8,417	8,023

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

Emma Pickering
Director
Date: 29 August 2019

The notes on pages 14 to 26 form part of these financial statements.

Statement of changes in equity

for the year ended 30 April 2019

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2018	100	8	354	7,561	8,023
Comprehensive income for the year					
Profit for the year	-	-	-	394	394
Total comprehensive income for the year	-	-	-	394	394
At 30 April 2019	100	8	354	7,955	8,417

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2017	100	8	354	6,077	6,539
Comprehensive income for the year					
Profit for the year	-	-	-	1,484	1,484
Total comprehensive income for the year	-	-	-	1,484	1,484
At 30 April 2018	100	8	354	7,561	8,023

The notes on pages 14 to 26 form part of these financial statements.

Notes to the financial statements

for the year ended 30 April 2019

1. Accounting policies

International Travel Connections Limited is a private company limited by shares incorporated and domiciled in England. The company's principal place of business is Bridgetown House, Lower Bridge Street, Chester, Cheshire CH1 1RU.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and applicable accounting policies 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.

The company meets the definition of a qualifying entity under FRS 102 since it is a wholly owned subsidiary of Bliss Topco Limited which prepares consolidated financial statements which include the company. The company has taken advantage of the following disclosure exemptions as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d) to prepare a statement of cashflows;
- The requirement of Section 33 *Related Party Disclosures* paragraph 33.7 to disclose key management compensation.

The consolidated financial statements of Bliss Topco Limited which include the disclosures above are available from its registered office: Bridgetown House, Lower Bridge Street, Chester, Cheshire CH1 1RU.

The financial statements are presented in sterling, which is the functional currency of the company and rounded to the nearest £'000.

Going concern

The Company's business activity, together with the factors likely to affect its future development and position are set out above. The directors believe that the borrowing facilities in place are more than adequate for the future needs of the group and the group is well placed to manage its business risks successfully. On the basis of their assessment of the company's financial position the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The following principal accounting policies have been applied:

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Travel agency commission is recognised 56 days prior to departure under the ABTA bonding rules, all other revenue, which includes tour operator, principle and agent revenue as well as refunds is recognised on departure.

Notes to the financial statements

for the year ended 30 April 2019

1. Accounting policies (continued)

Intangible assets

Goodwill

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

Other 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 five years.

The useful economic lives of intangible assets are as follows:

Computer software	–	4 years

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.

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

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

Depreciation is provided on the following basis:

Freehold property	–	2% Straight-line
Motor vehicles	–	25% Straight-line
Fixtures and fittings	–	15% Straight-line
Computer equipment	–	15%-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 within 'other operating income' in the Statement of Comprehensive Income.

Operating leases: lessee

Rentals paid under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

Notes to the financial statements

for the year ended 30 April 2019

1. Accounting policies (continued)

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting 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 reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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.

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.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable 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 payables or receivables, 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

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.

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 does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Notes to the financial statements

for the year ended 30 April 2019

1. Accounting policies (continued)

Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

Finance costs

Finance costs are charged to the Income Statement 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.

Leased assets: lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

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 payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

Interest income

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

Notes to the financial statements

for the year ended 30 April 2019

1. Accounting policies (continued)

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change 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 reporting 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 Statement of Financial Position 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 reporting date.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or nature.

2. Analysis of turnover

Analysis of turnover by country of destination:

	2019	*2018*
	£000	*£000*
United Kingdom	181	295
Rest of Europe	15,016	12,266
Rest of the world	52,807	45,254
	68,004	57,815

3. Operating profit

The operating profit/(loss) is stated after charging/(crediting):

	2019	*2018*
	£000	*£000*
Depreciation of tangible fixed assets	209	168
Amortisation of intangible assets, including goodwill	117	87
Auditor's remuneration	38	36
Foreign exchange loss	1,177	602
Defined contribution pension cost	191	119
Operating lease rentals – land and buildings	448	179

Notes to the financial statements

for the year ended 30 April 2019

4. Auditors' remuneration

	2019	2018
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	33	31

The figures for auditor's remuneration for the company required by regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration and Liabilities Limitation Agreement) Regulations 2018 are not presented as the consolidated financial statements comply with this regulation on a consolidated basis.

5. Employees

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

	2019	2018
	£000	£000
Wages and salaries	4,264	2,918
Social security costs	416	355
Cost of defined contribution scheme	120	119
	4,800	3,392

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

	2019	2018
	No.	No.
Administrative staff	153	126
	153	126

Notes to the financial statements

for the year ended 30 April 2019

6. Directors' remuneration

	2019 £000	2018 £000
Directors' remuneration in respect of qualifying services	694	370
Contributions to defined contribution pension schemes	25	11

The directors are remunerated by the intermediate parent undertaking. The amount of that remuneration which relates to services to the company is disclosed above.

During the year retirement benefits were accruing to 7 directors (2018 – 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £154,000 (2018 – £155,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2018 – £7,000)

7. Interest receivable and similar income

	2019 £000	2018 £000
Bank interest receivable	41	44
	41	44

8. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profit for the year	-	216
Adjustment in respect of previous period	(33)	(294)
Total current tax	(33)	(78)
Deferred tax		
Origination and reversal of timing differences	31	134
Adjustment in respect of previous period	2	190
Changes to tax rates	(3)	(14)
Total deferred tax	30	310
Taxation (credit)/charge on profit	(3)	232

Notes to the financial statements

for the year ended 30 April 2019

8. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019	*2018*
	£000	*£000*
Profit before tax	391	1,716
Profit multiplied by standard rate of corporation tax in the UK of Profit 19% (2018 – 19%)	74	326
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17	24
Effects of group relief	(60)	-
Adjustment in respect of previous period	(31)	(104)
Changes in tax rates	(3)	(14)
Total tax (credit)/charge for the year	(3)	232

Deferred tax

	Deferred tax
	£'000
At 1 May 2018	(28)
Adjustment in respect of prior years	(2)
Credited to the profit or loss	(28)
At 30 April 2019	(58)

The deferred tax asset is made up as follows:

	2019	*2018*
	£'000	*£'000*
Fixed asset timing differences	(67)	(39)
Tax losses carried forward	-	2
Short term timing differences	9	9
	(58)	(28)

Notes to the financial statements

for the year ended 30 April 2019

9. Exceptional items

	2019	*2018*
	£000	*£000*
Exceptional costs	10	-
	10	-

Exceptional costs in 2019 related to redundancy cost incurred in the year.

10. Goodwill

	Goodwill
	£000
Cost:	
At 1 May 2018	1,401
Addition for the year	-
At 30 April 2019	1,401
Amortisation:	
At 1 May 2018	781
Charge for the year	86
At 30 April 2019	867
Net book value:	
At 30 April 2019	534
At 30 April 2018	620

11. Intangible assets

	Computer Software
	£000
Cost:	
At 1 May 2018	-
Addition for the year	237
At 30 April 2019	237
Amortisation:	
At 1 May 2018	-
Charge for the year	31
At 30 April 2019	31
Net book value:	
At 30 April 2019	206
At 30 April 2018	-

Notes to the financial statements

for the year ended 30 April 2019

12. Tangible fixed assets

	Motor vehicles £000	*Fixtures and fittings £000*	*Computer equipment £000*	*Total £000*
Cost or valuation:				
At 1 May 2018	6	984	1,741	2,731
Additions	-	14	95	109
At 30 April 2019	6	998	1,836	2,840
Depreciation:				
At 1 May 2018	5	872	1,233	2,110
Charge for the year	1	28	180	209
At 30 April 2019	6	900	1,413	2,319
Net book value:				
At 30 April 2019	-	98	423	521
At 30 April 2018	1	112	508	621

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

	2019 £000	*2018 £000*
Computer equipment	-	12
	-	12

13. Debtors

	2019 £000	*2018 £000*
Due within one year		
Trade debtors	433	686
Amounts owed by group companies	13,663	13,528
Other debtors	527	662
Prepayments and accrued income	11,156	8,284
Corporation tax payable	186	153
	25,965	23,313

The amounts owed by group companies are non-interest bearing and are repayable on demand.

The directors consider that the carrying amount of the above debtors equates to their fair value.

Notes to the financial statements

for the year ended 30 April 2019

14. Creditors: amounts falling due within one year

	2019	*2018*
	£000	*£000*
Payments received on account	15,444	7,723
Trade creditors	9,253	10,320
Amounts owed to group undertakings	37	2,735
Taxation and social security	165	158
Obligations under finance lease and hire purchase contracts	-	12
Other creditors	59	58
Deferred tax	58	28
Accruals and deferred income	485	682
	25,501	21,716

Amounts owned to group undertakings with no stated interest rate are payable within one year or on demand and are recorded at the transaction price.

The directors consider that the carrying amount of the above creditors equates to their fair value.

The obligations under finance lease are secured against the assets leased.

15. Financial instruments

	2019	*2018*
	£000	*£000*
Financial assets:		
Financial assets that are debt instruments measured at amortised cost	23,045	18,561
	23,045	18,561
Financial liabilities:		
Financial liabilities measured at amortised cost	25,443	21,530
	25,443	21,530

Financial assets measured at amortised cost comprise trade debtors, amounts owed to group subsidiaries, and accrued income.

Financial liabilities measured at amortised cost comprise obligations under finance leases, trade creditors, amounts owed by group subsidiaries, other creditors, accruals and deferred income.

16. Share capital

	2019	*2018*
	£000	*£000*
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100	100

Notes to the financial statements

for the year ended 30 April 2019

17. Reserves

Share premium account

This included any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

The capital redemption reserve arises from the legal requirement to maintain the capital of the Company following the return of that amount of capital to shareholders in previous years.

Profit and loss account

This includes all current and prior period retained profits and losses.

18. Contingent liabilities

The Group had guarantees of £1,309,323 (2018 – £1,587,220) in favour of the Association of British Travel Agents (ABTA) via an insurance policy.

The company has a guarantee of £20,000 (2018 – £20,000) in favour of a trade supplier via Cathay Pacific.

The company has a guarantee of £300,000 (2018 – £Nil) in favour of Emirates.

At the year end the company had forward currency contract commitments of £15,977,793 (2018 – £14,638,116).

The Company has provided Bond insurance to IATA amounting to £Nil (2018 – £1,520,000).

The company is subject to an unlimited cross-guarantee in favour of Santander UK plc over loans of £6,500,000 (2018 – £7,100,000) held in Bliss Bidco Limited, a fellow Group company.

19. Pension commitments

The company operates a defined contribution scheme. The pension cost the year ended 30 April 2019 represents contributions payment by the company to the scheme and amounts to £191,000 (2018 - £119,000).

The outstanding contributions included in creditors at year end amount to £70,000 (2018 - £41,000).

Notes to the financial statements

for the year ended 30 April 2019

20. Commitments under operating leases

At 30 April the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	*2018*
	£000	*£000*
Land and buildings		
Not later than 1 year	46	203
Later than 1 year and not later than 5 years	22	589
Total	68	792

	2019	*2018*
	£000	*£000*
Other equipment		
Not later than 1 year	17	14
Later than 1 year and not later than 5 years	15	7
Total	33	21

21. Related party transactions

The company has taken advantage of the exemption available under FRS 102.33.1A not to disclose transactions with other wholly owned members of the Bliss Topco Limited group.

Terms and conditions of transactions with related parties

All related party transactions relate to sales & purchase of services. Sales and purchases between related parties are made at normal market prices. Outstanding balances are unsecured, interest free. During the year ended 30 April 2019, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2018: nil).

22. Controlling party

As at 30 April 2019 the company's ultimate parent undertaking and the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements is Bliss Topco Limited. Bliss Topco Limited is a private company limited by shares incorporated and domiciled in England.

The immediate parent company is ITC Travel Group Limited.

Group accounts for Bliss Topco Limited can be obtained from the registered office, Bridgetown House, Lower Bridge Street, Chester, CH1 1RU.