

Registered number: 01714349

# **COLLETTS TRAVEL LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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<b>COLLETTS TRAVEL LIMITED</b>
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**DIRECTORS AND OTHER INFORMATION**

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<b>Directors</b>	A Taiwo N Chacko (resigned 9 January 2020) J Oshiokpekhai R A Collett (resigned 20 December 2019) M S Berlin (resigned 20 December 2019) J D O'Hara (appointed 9 January 2020)
<b>Company number</b>	01714349
<b>Registered office</b>	79 Brent Street London NW4 2EA
<b>Business Address</b>	79 Brent Street Hendon London NW4 2EA
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL
<b>Banker</b>	Barclays Business Banking 1 Churchill Place London E14 5HP

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<b>COLLETTS TRAVEL LIMITED</b>
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report for Colletts Travel Limited ("the Company") for the year ended 31 December 2019.

The principal activity of the company during the year continued to be as travel agent and tour operator. The company-maintained progress in developing its travel service for the business community and tailor-made travel arrangements for the more discerning traveller.

**Performance of the business in the period**

The results for the year and the financial position of the company are shown in these financial statements.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the company are set out below.

- 1) Key supplier management - The risk of losing its major suppliers. Billing and Settlement Plan facility is one of the central areas of its supply of services. The Company ensures that all the reports are reconciled and payments are made in a timely manner. It also makes sure that all the correct procedures are adhered to;
- 2) Competitive risks - There is always a risk that a new entrant or an existing Group may take business away, however, the directors believe that they "have their fingers on the pulse" and thereby will take the necessary steps;
- 3) Credit risk - The Company has been fortunate to have tight credit control management in place. Credit is being phased out as much as possible with clients being encouraged to move to direct debit settlement or alternatively settle by credit card;
- 4) Liquidity Risk - The risk of shortage of working capital. The directors keep a keen eye on the working capital requirements of the Company, and take appropriate action to ensure that the Company has adequate working capital at all times. The Company has adequate finance in place to cover its short to medium term operations;
- 5) Business continuity and IT Systems - The risk of failure of the Company's IT Systems and processes. The Company is highly dependent on its IT systems to record and process vast volumes of bookings, financial information and other data. The directors have a policy of constantly updating its software and hardware to ensure that the systems are operating efficiently and are able to cope with the ongoing demands. The systems are regularly backed up to ensure that the Company can continue to function without interruption;
- 6) Personnel - The success of the Company depends on the management team and skilled staff continuing to provide their services to the Company and to its customers. It also needs to continue to attract and motivate staff. The future success of the Company depends on management and staff being able to service its customers well and attracting new opportunities for the Company.
- 7) Brexit - The Directors have considered the risk of Brexit on the business and do not believe that this will significantly impact the business, as most of the profitability is derived from long haul destinations not impacted by destinations in the European Union.
- 8) COVID-19 - Along with the rest of the travel industry, the Company has since year end been severely affected by extreme reduction in trading levels as a result of the COVID-19 pandemic. It has put stringent cost saving plans into action and these are outlined in note 24 to these financial statements. Careful consideration has been given to cash flow forecasts and the directors have considered a worst-case scenario where business is not expected to return until the beginning of 2021 and then to recover slowly through the course of 2021. The results of this worst-case scenario might result in Colletts Travel Limited utilising some borrowing facilities; however, it does show that the Company does have sufficient funding to continue as a going concern for 12 months from the signing of these accounts.

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## COLLETTS TRAVEL LIMITED

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

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#### Key performance indicators

The Company continues monitoring a number of KPIs in respect of sales, gross profit, return on capital employed and cash performance of the Company.

The KPI's during the year were as follows:

	2019 £	2018 £
Turnover	43,441,641	44,311,089
Gross profit	4,125,586	4,335,200
Cash funds	2,713,496	2,304,530

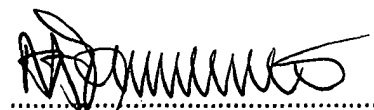
#### Travel regulatory bodies

The Company holds an IATA, ABTA & ATOL licences, which ensures protection to its customers and regulators.

#### Stakeholder engagement (CA s172)

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006. In delivering our plan to develop the business as a leading travel management company, this has been undertaken through close interaction and regular dialogue with our suppliers, customers, regulators and employees. Our performance is in turn reported and reviewed monthly with our parent company which is also the sole shareholder.

This report was approved by the board on 30 Sept 2020 and signed on its behalf



A Taiwo  
Director

79 Brent Street  
Hendon  
London  
NW4 2EA

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**COLLETTS TRAVEL LIMITED**

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

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

**Principal activity**

The principal activity of the company during the year continued to be as travel agents and tour operators.

**Results and dividends**

The profit for the year, after taxation, amounted to £171,631 (2018 - £420,106).

The directors do not recommend payment of a dividend (2018: £0).

**Directors**

The directors who served during the year and as of date of signing these financial statements are as follows:

A Taiwo  
N Chacko (resigned 9 January 2020)  
J Oshiokepkhai  
R A Collett (resigned 20 December 2019)  
M S Berlin (resigned 20 December 2019)  
J D O'Hara (appointed 9 January 2020)

**Political contributions**

The company did not make any disclosable political donations in the current period (2018: Nil).

**Disclosure of information to auditors**

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

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

**Future developments**

The directors are confident that the company will keep on improving its performance by increasing its market share and profitability. Management are in a constant look out for new opportunities and hope that these will be reflected in the following year's results.

The impact of COVID-19 will severely impact the performance of the company at least through 2020 and possibly into 2021, however the directors have considered the impact of this on the going concern of the business and this is documented in more detail in the accounting policy note 2.2.

**Going concern**

The impact of COVID-19 will severely impact the performance of the company at least through 2020 and possibly into 2021, however the directors have considered the impact of this on the going concern of the business and this is documented in more detail in the accounting policy note 2.2.

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**COLLETTS TRAVEL LIMITED**

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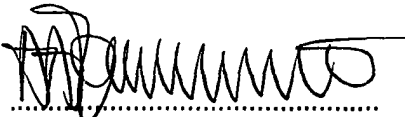
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 30 Sept 2020 and signed on its behalf



**A Taiwo**  
Director

79 Brent Street  
London  
NW4 2EA

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<b>COLLETTS TRAVEL LIMITED</b>
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE  
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.





## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLETTS TRAVEL LIMITED

### Opinion

We have audited the financial statements of Colletts Travel Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including a summary of significant accounting policies in Note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements which indicates that, based on the forecast prepared by the directors, the Company will be reliant on financial support from its parent company and the ability of the parent undertaking to provide that support is uncertain. These events and conditions, along with the other matters explained in note 2.2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLLETT'S TRAVEL LIMITED (CONTINUED)

- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.

**Chrissy Douka (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square, London  
E14 5GL

30 September 2020

**COLLETTS TRAVEL LIMITED**

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	3	43,441,641	44,311,089
Cost of sales		(39,316,055)	(39,975,889)
<b>Gross profit</b>		<b>4,125,586</b>	<b>4,335,200</b>
Administrative expenses		(3,791,509)	(3,752,529)
<b>Operating profit</b>	4	<b>334,077</b>	<b>582,671</b>
Interest receivable and similar income	8	230	350
Interest payable and similar expenses	9	(66,255)	(59,533)
<b>Profit before tax</b>		<b>268,052</b>	<b>523,488</b>
Tax on profit	10	(96,421)	(103,382)
<b>Profit for the financial year</b>		<b>171,631</b>	<b>420,106</b>

There was no other comprehensive income for 2019 (2018:£NIL).

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

All activities are from continuing operations.

**COLLETTS TRAVEL LIMITED**  
**REGISTERED NUMBER: 01714349**

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

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11	63,713	68,466
		<u>63,713</u>	<u>68,466</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	7,417,573	10,851,106
Cash at bank and in hand	13	2,713,496	2,304,530
		<u>10,131,069</u>	<u>13,155,636</u>
Creditors: amounts falling due within one year	14	(1,620,410)	(4,717,246)
<b>Net current assets</b>		<u>8,510,659</u>	<u>8,438,390</u>
<b>Total assets less current liabilities</b>		<u>8,574,372</u>	<u>8,506,856</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(5,321)	(9,565)
Other provisions	16	-	(99,871)
		<u>(5,321)</u>	<u>(109,436)</u>
<b>Net assets</b>		<u>8,569,051</u>	<u>8,397,420</u>
<b>Capital and reserves</b>			
Called up share capital	17	100,000	100,000
Share premium account	18	25,000	25,000
Profit and loss account	18	8,444,051	8,272,420
		<u>8,569,051</u>	<u>8,397,420</u>

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



A Taiwo

Director

Date: 30 Sept 2020

79 Brent Street  
London  
NW4 2EA

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

Company Registered number 01714349

**COLLETTS TRAVEL LIMITED**

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	100,000	25,000	7,852,314	7,977,314
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	420,106	420,106
	-	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	420,106	420,106
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2018</b>	100,000	25,000	8,272,420	8,397,420
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	171,631	171,631
	-	-	-	-
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	171,631	171,631
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2019</b>	100,000	25,000	8,444,051	8,569,051

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

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<b>COLLETTS TRAVEL LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

Colletts Travel Limited is a company limited by shares incorporated in United Kingdom, 79 Brent Street, London NW4 2EA, is the registered office of the company. The nature of the company's operations and its principal activities are set out in the Directors' Report.

**2. Accounting policies**

**2.1 Statement of compliance**

The financial statements of the company for the year ended 31 December 2019 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council and in accordance with the Companies Act 2006. The presentation currency of these financial statements is sterling.

The Company's intermediate parent undertaking, Travel Leaders Group UK Limited, included the Company in its consolidated financial statements. The consolidated financial statements of Travel Leaders Group UK, Limited are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' and are available to the public and may be obtained from 101 ST Martin's Lane, London WC2N 4AZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow statement and related notes;
- Disclosure of transactions between wholly-owned group members and
- Key Management Personnel compensation.

As the consolidated financial statements of Travel Leaders Group UK, Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all period presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 26.

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**COLLETTS TRAVEL LIMITED**

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

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**2. Accounting policies (continued)**

**2.2 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

**Going concern**

Uncertainty due to the recent COVID-19 outbreak has been considered as part of the Company's adoption of the going concern basis. Business over recent months has been impacted by COVID-19, following guidance provided by various governments around the world whereby travel was almost halted, resulted in the cancellation or delay of previously booked travels and a significant reduction in future travels.

At the year end, the Company had net assets of £8.6m and net current assets of £8.5m. The Company manages its day to day and medium-term funding requirements through cash balances and support from the parent company. These circumstances notwithstanding, the directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The global COVID-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the Company's business is such that in the next twelve months, there is expected to be an unpredictable variation in the value and timing of cash inflows. The Directors have prepared projected cash flow information for the 15 month period to 31 December 2021. These include a base case scenario with reduced travel bookings throughout the forecast period reflecting gradual increases in business as travel restrictions are lifted to 40% and 80% of pre-COVID-19 travel in December 2020 and December 2021, respectively. Appropriate measures have been put in place to reduce the impact on the Company, including delaying all non-committed capital expenditure, reductions in variable costs such as staffing and reductions to office space and costs.

The Company has also considered the severe but plausible downside scenario of lockdown extensions and travel restrictions until the end of 2020 along with a slower recovery to pre-COVID-19 levels of travel during 2021.

These forecasts are dependent on Travel Leaders Group UK, the Company's parent undertaking providing additional financial support during that period. Travel Leaders Group UK has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. While the directors have received written indications of support from the parent company, the parent company itself will need to secure new financing in order to be able to support the Company. There is therefore no certainty that the parent company will have the ability to provide the support required by the Company.

Based on these indications the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the Directors acknowledge that these circumstances represent a material uncertainty and that should the support mentioned above not be forthcoming, that significant doubt may be cast on the Company's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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<b>COLLETTS TRAVEL LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**2.4 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

**2.5 Turnover**

Turnover is recognised upon delivery of the services and hence upon transfer of risk. Fees are on a gross basis as the company have risks of providing the service. These fees are recognised once the company has performed their contractual obligation, which is considered to have been met at the date of departure.

**2.6 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

**2.7 Finance costs**

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

**2.8 Pensions**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Annual contributions payable to the company's pension scheme are charged to the Profit and Loss Account in the period to which they relate.



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**COLLETTS TRAVEL LIMITED**

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

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the period and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight line over the life of the lease
Fixtures and fittings	- 5 to 10 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

**2.11 Leasing**

Rentals payable under operating leases are dealt with in the Profit and Loss Account as incurred over the period of the rental agreement.

**2.12 Trade and other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

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**COLLETTS TRAVEL LIMITED**

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

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**2. Accounting policies (continued)**

**2.13 Cash and cash equivalents**

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

**2.14 Trade and other creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

**2.15 Provisions**

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**3. Turnover**

The whole of the turnover is attributable to its market in the United Kingdom and is derived from the principal activity of travel agents and tour operators.

**4. Operating profit**

Operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	25,808	65,458
Profit on foreign currencies	(31,026)	(32,012)
Operating lease rentals - Land & buildings	119,398	111,258
	<u>          </u>	<u>          </u>

**5. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	41,400	21,307
	<u>          </u>	<u>          </u>

**COLLETTS TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Employees**

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

	2019 £	2018 £
Wages and salaries	1,889,382	1,807,330
Social security costs	233,891	189,353
Cost of defined contribution scheme	50,450	11,443
	<u>2,173,723</u>	<u>2,008,126</u>

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

	2019 No.	2018 No.
Travel agents	34	33
Administration	12	12
	<u>46</u>	<u>45</u>

**7. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	87,500	100,000
	<u>87,500</u>	<u>100,000</u>

The remuneration of the highest paid director was £43,750 (2018: £50,000).

**8. Interest receivable and similar income**

	2019 £	2018 £
Bank and other interest receivable	230	350
	<u>230</u>	<u>350</u>

**COLLETTS TRAVEL LIMITED**

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**9. Interest payable and similar expenses**

	2019 £	2018 £
Bank interest payable	495	-
Loan interest payable	65,760	59,533
	<u>66,255</u>	<u>59,533</u>

**10. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	57,731	102,034
Adjustments in respect of previous periods	42,934	-
	<u>100,665</u>	<u>102,034</u>
<b>Total current tax</b>	<u>100,665</u>	<u>102,034</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,244)	1,348
<b>Total deferred tax</b>	<u>(4,244)</u>	<u>1,348</u>
<b>Taxation on profit on ordinary activities</b>	<u>96,421</u>	<u>103,382</u>

**COLLETTS TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

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

	2019 £	2018 £
Profit on ordinary activities before tax	<b>268,052</b>	523,488
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>50,930</b>	99,463
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,607	3,033
Capital allowances for year in excess of depreciation	194	653
Adjustments to tax charge in respect of prior periods	42,934	-
Adjustment to deferred tax	(4,244)	233
<b>Total tax charge for the year</b>	<b>96,421</b>	103,382

The standard rate of corporation tax in UK was reduced to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020, whereby the rate applicable from 1 April 2020 now remained at 19% rather than the previously enacted reduction to 17%. The deferred tax liability as at 31 December 2019 has been calculated based on the rate of 17% representing the applicable long-term rate.

**COLLETTS TRAVEL LIMITED**

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**11. Tangible fixed assets**

	Short-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	124,416	236,178	360,594
Additions	14,878	6,177	21,055
At 31 December 2019	139,294	242,355	381,649
<b>Depreciation</b>			
At 1 January 2019	68,234	223,894	292,128
Charge for the year on owned assets	17,208	8,600	25,808
At 31 December 2019	85,442	232,494	317,936
<b>Net book value</b>			
At 31 December 2019	53,852	9,861	63,713
<i>At 31 December 2018</i>	<i>56,182</i>	<i>12,284</i>	<i>68,466</i>

**12. Debtors**

	2019 £	2018 £
Trade debtors	1,508,980	4,918,541
Amounts owed by group undertakings	5,328,617	5,560,992
Other debtors	280,184	329,403
Prepayments and accrued income	299,792	42,170
	<u>7,417,573</u>	<u>10,851,106</u>

Amounts owed by group companies are repayable on demand and have no interest charged on it.  
Other debtors include restricted cash amounting to £206,750 (2018: £206,750).

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

**13. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	2,713,496	2,304,530
	2,713,496	2,304,530

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

	2019 £	2018 £
Trade creditors	953,792	4,451,612
Amounts owed to group undertakings	59,548	134,546
Corporation tax	5,533	-
Other taxation and social security	19,362	41,816
Other creditors	298,044	85,802
Accruals and deferred income	284,131	3,470
	1,620,410	4,717,246

Amounts owed to group companies are repayable on demand and have no interest charged on it.

**15. Deferred taxation**

	2019 £	2018 £
At beginning of year	(9,565)	(8,217)
Credited/(charged) to profit or loss	4,244	(1,348)
<b>At end of year</b>	<b>(5,321)</b>	<b>(9,565)</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(5,321)	(8,217)
Tax losses carried forward	-	(1,348)
	(5,321)	(9,565)

**16. Provisions**

	Supplier failure £
At 1 January 2019	99,871
Charged to profit or loss	(99,871)
<b>At 31 December 2019</b>	-

Provision related to protection against supplier failure on historical bookings in previous years which is no longer required and as a result this amount has now been released to the profit and loss.

**17. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
100,000 (2018 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.



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**COLLETTS TRAVEL LIMITED**

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

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**18. Reserves**

**Share premium account**

The amount carried forward is the premium that arose from the issue of shares in 2001.

**Profit and loss account**

At the year end distributable reserves amounted to £8,444,051 ( 2018: £8,272,420).

**19. Contingent liabilities**

The company's bankers have a charge of £206,750 on cash deposits as security for bonding (2018 £206,750).

**20. Capital commitments**

The company had no material capital commitments at the period ended 31 December 2019 (2018: Nil).

**21. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £50,450 (2018: £11,443).

**22. Operating lease commitments**

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

	2019 £	2018 £
Not later than 1 year	120,150	114,650
Later than 1 year and not later than 5 years	325,350	458,592
	<u>445,500</u>	<u>573,242</u>

During the year £119,398 was recognised as an expense in the Profit and Loss Account in respect of operating leases (2018: £111,258).

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**COLLETTS TRAVEL LIMITED**

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

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**23. Related party transactions**

The company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with group companies.

During the year ended 31 December 2019, the company entered into the following transactions with related parties:

Colletts Family Trust and Colletts Travel Director's Pension Scheme

Administration expenses include the sum of £38,538 (2018 - £38,538) paid to the above in respect of rent. The schemes were set up for the benefit of the directors and their dependents.

**24. Post balance sheet events**

The global travel business including the Business Travel sector has been devastated by the recent effects of the Global Pandemic caused by Covid-19. The downturn commenced in January 2020 when business on routes to China initially closed culminating in an almost complete shutdown of the global travel industry from March 2020 onwards. FCO restrictions of essential travel only have been in place since that time and are still in force on most routes. During this lockdown period we have seen our business drop by up to 90%. Green shoots are slowly re-starting as non-essential travel restrictions are lifted and we expect the remainder of 2020 to remain slow in terms of recovery. Global aviation forecasts are between 30-50% uplift between now and the end of 2020 and slowly picking up pace in 2021. Forecasts for a full recovery of the industry are not expected until 2023. The Company has made use of all available government initiatives including the furlough scheme and applying for rent and rates deferment where possible. We are in the process of re-sizing the business with both staff levels and office space requirements being reduced to align with the forecast recovery plan. Management have closely assessed the cash flow requirements up to 31 December 2021 and are confident that with the reduced cost base, there will be sufficient cash to see the business through the recovery period. Please note that management has not made any adjustments in the financial statements as it treats Covid-19 as a non adjusting post balance sheet event.

**25. Parent and ultimate parent company**

The company regards Travel Leaders Group UK Ltd as its parent company.

The company's ultimate parent undertaking is Internova Travel Group, LLC (previously known as Travel Leaders Group Holdings LLC). The address of Internova Travel Group, LLC is United States.

Internova Travel Group, LLC is regarded as both the controlling party and the ultimate controlling party.

The parent of the largest group in which the results are consolidated is Internova Travel Group, LLC.

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

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**26. Accounting estimates and judgements**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the statement of comprehensive income in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods. Estimates and judgements were applied in accounting for goodwill, depreciation, amortisation, tangible assets and all provisions.